

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

FORM 10- K/A-1

(Mark One)

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

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
 SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)
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 (I.R.S. Employer
of incorporation or organization) Identification No.)

1717 Main Street, Suite 5900 75201
Dallas, Texas (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code(214) 743-5600

- - - _____

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock (Par Value \$2.50 per share)	New York Stock Exchange, Inc.

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 No

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

As of February 28, 1998 the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was approximately \$12,644,079,279.

The number of shares outstanding of the registrant's Common Stock as of February 28, 1998 was 247,292,769.

Portions of the following documents are incorporated by reference into this Report: (1) registrant's Annual Report to Stockholders for the year ended December 31, 1997 (Parts I, II and IV); and (2) registrant's definitive Proxy Statement for the annual meeting of stockholders to be held on April 7, 1998 (Part III).

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The undersigned Registrant hereby amends its Annual Report on Form 10-K for the fiscal year ended December 31, 1997 to include the following exhibits:

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

Exhibit Number Exhibit

(23) Independent Auditors' Consents

(99) (a) Financial Statements for the Fiscal Year

ended December 31, 1997 required by Form 11-K for the Union Pacific Corporation Thrift Plan.

- (99) (b) Financial Statements for the Fiscal Year ended December 31, 1997 required by Form 11-K for the Union Pacific Fruit Express Company Agreement Employee 401(k) Retirement Thrift Plan.
- (99) (c) Financial Statements for the Fiscal Year ended December 31, 1997 required by Form 11-K for the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan.
- (99) (d) Financial Statements for the Fiscal Year ended December 31, 1997 required by Form 11-K for the Chicago and North Western Railway Company Profit Sharing and Retirement Savings Program.
- (99) (e) Financial Statements for the Fiscal Year ended December 31, 1997 required by Form 11-K for the Southern Pacific Rail Corporation Thrift Plan.
- (99) (f) Financial Statements for the Fiscal Year ended December 31, 1997 required 11-K for the Skyway Retirement Savings Plan.

UNION PACIFIC CORPORATION

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.

Date: June 29, 1998

UNION PACIFIC CORPORATION
(Registrant)

/s/ Joseph E. O'Connor, Jr.

Joseph E. O'Connor, Jr.,
Vice President and Controller
(Chief Accounting Officer
and Duly Authorized Officer)

EXHIBIT INDEX

Exhibit Number Exhibit

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- (99) (a) Financial Statements for the Fiscal Year ended December 31, 1997 required by Form 11-K for the Union Pacific Corporation Thrift Plan.
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Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Post-Effective Amendment No. 1 to Registration Statement No. 33-12513 and in Registration Statement No. 33-49849 of Union Pacific Corporation on Forms S-8 of our report dated June 3, 1998 appearing in Exhibit 99(a) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the year ended December 31, 1997.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 26, 1998

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-49785 of Union Pacific Corporation on Form S-8 of our report dated June 3, 1998, appearing in Exhibit 99(b) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the fiscal year ended December 31, 1997.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 26, 1998

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-53968 of Union Pacific Corporation on Form S-8 of our report dated June 3, 1998, appearing in Exhibit 99(d) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the fiscal year ended December 31, 1997.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 26, 1998

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-10797 of Union Pacific Corporation on Form S-8 of our report dated June 3, 1998, appearing in Exhibit 99(e) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the fiscal year ended December 31, 1997.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 26, 1998

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-13115 of Union Pacific Corporation on Form S-8 of our report dated June 3, 1998, appearing in Exhibit 99(f) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the fiscal year ended December 31, 1997.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 26, 1998

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Union Pacific Corporation:

We consent to the incorporation by reference in Registration Statements No. 33-76930 and No. 33-83390 on Form S-8 of Union Pacific Corporation of our report dated June 20, 1997, except as to note 9 which is as of October 10, 1997, relating to the statement of net assets available for benefits (modified cash basis) of Southern Pacific Rail Corporation Thrift Plan as of December 31, 1996, and the related statement of changes in net assets available for benefits (modified cash basis) for the year then ended, which report appears in the December 31, 1997 annual report on Form 11-K of Southern Pacific Rail Corporation Thrift Plan. Our report notes those financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

KPMG Peat Marwick LLP

San Francisco, California
June 26, 1998

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-51735 of Union Pacific Corporation on Form S-8 of our report dated June 25, 1998 on the financial statements of Skyway Savings Plan, appearing in Exhibit 99(c) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the fiscal year ended December 31, 1997.

Deloitte & Touche LLP

San Jose, California
June 25, 1998

COVER

EXHIBIT 99(A)
UNION PACIFIC CORPORATION
THRIFT PLAN

Financial Statements as of and for the
Years Ended December 31, 1997 and 1996
and Independent Auditors' Report
UNION PACIFIC CORPORATION THRIFT PLAN

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Supplemental schedules required by the Employee Retirement
Income Security Act of 1974
are disclosed separately in Master Trust reports filed with
the Department of Labor.

INDEPENDENT AUDITORS' REPORT

Union Pacific Corporation Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the Union Pacific Corporation Thrift Plan (the "Plan") as of December 31, 1997 and 1996, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1997 and 1996, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 3, 1998

UNION PACIFIC CORPORATION THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997 AND 1996

	1997	1996
ASSETS		
Investments at fair value (Notes 2, 3 and 8)	\$543,971,178	\$476,177,320
Net assets available for benefits	\$543,971,178	\$476,177,320

The accompanying notes are an integral part of these financial statements.

UNION PACIFIC CORPORATION THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 8):		
Net appreciation in fair value		
of investments (Note 3)	\$ 35,614,899	\$ 64,672,659
Interest	7,646,150	7,138,329
Dividends	13,524,500	11,286,224
	-----	-----
	56,785,549	83,097,212
	-----	-----
Contributions by (Note 8):		
Employee	23,914,435	23,593,530
Company	7,984,945	7,699,682
	-----	-----
	31,899,380	31,293,212
	-----	-----
Total additions	88,684,929	114,390,424
DEDUCTIONS FROM NET ASSETS		
ATTRIBUTED TO:		
Distributions to participants (Note 8)	20,891,071	20,841,033
	-----	-----
NET INCREASE	67,793,858	93,549,391
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	476,177,320	382,627,929
	-----	-----
End of year	\$543,971,178	\$476,177,320
	=====	=====

The accompanying notes are an integral part of these financial statements.

UNION PACIFIC CORPORATION THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 AND 1996

1. DESCRIPTION OF PLAN

The following description of the Union Pacific Corporation Thrift Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan was adopted in October 1973 by the Board of Directors of Union Pacific Corporation (the "Company") and approved by its stockholders in May 1974. Under the terms of the Plan, effective October 1, 1997, non-agreement employees become eligible to make employee contributions to the Plan immediately and generally become eligible to participate in the employer match on the first anniversary of their dates of hire. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Contributions - The Company contributes to the Plan on behalf of each participant an amount equal to 50% of the participant's contribution with such Company contribution limited to 3% of the participant's base salary. The Plan (i) meets the requirements of Section 401(k) of the Internal Revenue Code, which permits certain employee contributions to be withheld on a "salary deferral" basis, so that amounts deducted will not be included in the employee's income for Federal income tax purposes, (ii) allows employees to contribute up to 16% of their salary to the Plan, (iii) provided for payroll based employee stock ownership plan contributions ("PAYSOP") prior to 1987, and (iv) makes various other changes intended to give participants greater control and flexibility with respect to Plan investments.

Spin-Off - In September 1996, the Company's Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group, Inc. ("Resources"), common stock owned by the Company (the "Spin-Off"). As a result of the Spin-Off, each of the Company's stockholders received 0.846946 of a share of Resources common stock for each share of Company common stock held by such stockholders at the September 26, 1996 record date for the distribution. Therefore, each Plan participant's account received 0.846946 of a share of Resources common stock for each share of Company common stock held in the account. The shares received have been placed in the Resources Stock Fund ("Resources Stock"). Future contributions to Resources Stock are not permitted.

Loans to Participants - In June 1985, the loan provisions of the Plan were approved by the Internal Revenue Service and became effective. The amount of a loan is limited to one-half of the vested value of a participant's accounts, excluding PAYSOP and subject to a minimum and maximum loan amount. As the loan is repaid, all principal and interest payments will be credited to the participant's accounts, excluding PAYSOP, in the same proportions as the contributions then being made on behalf of the participant. If no contributions are then being made, the loan repayments will be invested in accordance with the participant's most recent investment election, unless he or she directs otherwise to the extent permitted by the Plan. Participants' loans, which are secured by the participant's individual account balances, bear a fixed rate of interest set by the Plan Administrator based on interest rates then being charged on similar loans, and are repayable over periods not exceeding five years, except loans relating to a principal residence, in which case the term of the loan shall not exceed fifteen years. The loans bear interest ranging from 5.5% to 10.5%. The number of loans outstanding at December 31, 1997 and 1996, was 1,669 and 1,725, respectively.

Participant Accounts - Each participant account is credited with the participant's contributions and an allocation of the Plan's earnings. Allocations are based on participant account balances and the funds in which the participant has elected to invest his/her accounts.

Vesting - Participants at all times have a 100% vested interest in their voluntary contributions plus actual earnings thereon and their PAYSOP account. Effective October 1, 1997, participants are 100% vested in their employer matching contributions regardless of years of service (see Note 5).

Investment Options - Upon enrollment in the Plan, a participant may direct employee contributions in any of eight funds in multiples of 5%.

Union Pacific Common Stock Fund - Funds are primarily invested in common stock of Union Pacific Corporation.

Union Pacific Equity Index Fund - Funds are primarily invested in shares of a registered investment company that invests in common stocks in a manner designed to closely track the investment performance of the Standard and Poor's 500 Composite Stock Index.

Union Pacific Fixed Income Fund - Funds are primarily invested in guaranteed investment contracts held with insurance companies rated at least A-1 by Standard and Poors. Funds are also invested in a registered investment company that invests in guaranteed investment contracts.

Vanguard/Wellington Fund - Funds are invested in shares of a registered investment company that invests in common stocks and fixed income securities.

Vanguard Money Market Reserves Prime Portfolio (VMMR Prime Portfolio) - Funds are invested in shares of a registered investment company that invests and reinvests in high quality certificates of deposit, bankers' acceptances, commercial paper, U.S. Government Securities, and other short-term obligations with the objective of preserving principal while providing income.

Vanguard U.S. Growth Fund - Funds are invested in shares of a registered investment company that invests in the common stock of established U.S. growth companies.

Vanguard International Growth Portfolio Fund - Funds are invested in shares of a registered investment company that invests in foreign common stocks with high growth potential.

Vanguard Bond Index Fund - Funds are invested in shares of a registered investment company that invests in fixed income securities in a manner which is designed to closely track the investment performance of the Lehman Brothers Aggregate Bond Index.

Payments of Benefits - A participant may elect to receive a final distribution under the Plan as either a cash lump sum distribution, or in monthly or annual amounts over a specified period of time not to exceed the lesser of ten calendar years or the life expectancy of the participant or the joint life expectancy of the participant and his/her beneficiary as prescribed in the Treasury Regulations. Prior to October 1, 1997, final distributions of PAYSOP accounts had to be lump sum distributions. For benefit payments equal to or less than \$3,500 (\$5,000, effective 1/1/98), the Plan Administrator directs the Trustee to make a lump sum payment to the participant or beneficiary. A participant who elects payment in a lump sum has the option to receive the value of his/her PAYSOP account and the portion of his/her account invested in the Company Common Stock Fund in cash or in shares of such Company stock; in-kind distributions will be lump sum and any fractional shares will be distributed in cash.

A withdrawal may be made by a participant from his/her account in accordance with the Plan's provisions.

Forfeitures - When certain terminations of participation in the Plan occur, the nonvested portion of a participant's account, as defined by the Plan, represents a potential forfeiture. Such potential forfeitures reduce subsequent Company contributions to the Plan. However, if upon reemployment the former participant fulfills certain requirements as defined in the Plan, the previously forfeited nonvested portion of the participant's account may be restored through Company contributions. Effective October 1, 1997, the Plan should no longer have forfeiture balances (Note 5).

Amounts summarized below represent Company contributions forfeited for the years ended December 31, 1997 and 1996:

	1997	1996
Company contributions forfeited	\$29,489	\$24,278
Applied against current year contributions	20,150	18,170
	-----	-----
Applied to reduce subsequent year contributions	\$ 9,339	\$ 6,108
	=====	=====

Plan Administration - The Plan is administered by the Senior Vice President, Human Resources of the Company. All administrative expenses of the Plan with the exception of investment advisory fees are paid by the Company. Investment advisory fees for portfolio management are paid directly from fund earnings.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accounts of the Plan have been prepared in accordance with generally accepted accounting principles. The financial statements were prepared in accordance with the financial reporting requirements of ERISA as permitted by the Securities and Exchange Commission's amendments to Form 11-K adopted during 1990.

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

Investment Valuation and Income Recognition - Investments in the Union Pacific Company Stock Fund, PAYSOP Resources Stock Fund, Vanguard Wellington Fund, Union Pacific Equity Index Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Portfolio Fund, and the Vanguard Total Bond Market Fund are valued at fair value as determined by quoted market prices. Investments in the Union Pacific Fixed Income Fund and the Vanguard Money Market Reserves - Prime Portfolio are valued at fair value as determined by Vanguard Fiduciary Trust Company. Participant loans are valued at their carrying value which approximates fair value. Dividend income is recorded as of the ex-dividend date. Security transactions are recorded as of the trade date.

Payments of Benefits - Benefits are recorded when paid.

3. INVESTMENTS

The following table presents the fair value of investments:

	December 31,	
	1997	1996
Investments at Fair Value as Determined by Quoted Market Price:		
Master Trust	\$427,018,286	\$365,826,317
Investments at Estimated Fair Value:		
Master Trust	116,952,892	110,351,003
	-----	-----
	\$543,971,178	\$476,177,320
	=====	=====

During 1997 and 1996, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by \$35,614,899 and \$64,672,659, respectively, as follows:

	Year Ended December 31,	
	1997	1996
Net Change in Fair Value		
Investments at Fair Value as Determined by		
Quoted Market Price:		
Master Trust	\$35,412,643	\$64,736,156
Investments at Estimated Fair Value:		
Master Trust	202,256	(63,497)
	-----	-----
Net change in fair value	\$35,614,899	\$64,672,659
	=====	=====

4. MASTER TRUST

The assets comprising the Master Trust are presented in the following table:

	1997	1996
Common Stock	\$180,366,490	\$189,870,983
Mutual Funds	449,880,397	276,457,039
Guaranteed Investment Contracts	201,246,115	93,697,351
Participant Loans	18,826,627	17,565,878
	-----	-----
	\$850,319,629	\$577,591,251
	=====	=====

Total interest and dividends of the Master Trust were \$42,436,033 and \$24,861,387 for the years ended December 31, 1997 and 1996, respectively. During 1997 and 1996, the Master Trust's investments (including investments bought, sold, and held during the year) appreciated in value by \$51,517,049 and \$96,600,069, respectively, as follows:

	December 31,	
Net appreciation (depreciation)	1997	1996
Common Stocks	\$(2,627,738)	\$58,743,085
Mutual Funds	54,009,125	37,932,780
Guaranteed Investment Contracts	135,662	(75,796)
	-----	-----
Net change in fair value	\$51,517,049	\$96,600,069
	=====	=====

At December 31, 1997 and 1996, the Plan held percentage interests in the Master Trust of 64.0% and 82.4%, respectively. Assets, liabilities, investment income, and security gains and losses are allocated monthly to the Plan based on its equity in the investments of the Master Trust.

5. PLAN AMENDMENTS

Effective April 1, 1997, the Plan was amended to provide that any Participant (1) who had a Separation from Service in 1997 as an Employee of Union Pacific Corporation in Bethlehem, PA, or Broomfield, CO, (2) receives severance pay from the Company as a result of such Separation from Service, and (3) has W-2 compensation in 1996 from the Company and all Affiliated Companies of less than \$80,000, shall be 100% vested in his or her account as of the date of his Separation from Service.

Effective June 30, 1997, the Plan was amended to provide that each person who was employed by Southern Pacific Rail Corporation or any of its subsidiaries or affiliates on the day such companies became Affiliated Companies and who becomes a covered employee under a collective bargaining agreement or as a result of a decertification election shall be credited with hours of service and years of service under the Plan for employment with Southern Pacific prior to such date.

Effective October 1, 1997, the plan was amended to provide that covered employees are immediately eligible to make employee contributions to provide that employer matching contributions are 100% vested regardless of years of service and are allocable on or after the first anniversary of the covered employee's date of hire, a participant may defer payment until age 70-1/2, to permit non-hardship withdrawals twice in a calendar year, to allow rollover amounts to be withdrawn in a non-hardship withdrawal, to eliminate the limit on the frequency of hardship withdrawals, to eliminate the 12-month suspension following a hardship withdrawal and to permit a non-hardship withdrawal when a participant has a loan. Effective January 1, 1998, the Plan was amended to provide that any individual eligible to participate in the Southern Pacific Rail Corporation Thrift Plan between September 11, 1996, and December 31, 1997, who was a Covered Employee would not become an Eligible Employee prior to January 1, 1998, and each person employed by the Southern Pacific Rail Corporation or any of its subsidiaries or affiliates on the day such companies became Affiliated Companies shall be credited with hours of service and years of service under the Plan for employment with Southern Pacific prior to such date.

6. FEDERAL INCOME TAXES

The Company has received a letter of determination from the Internal Revenue Service dated April 18, 1995, and the Plan Administrator and the Plan's tax counsel believe that the Plan, as subsequently amended, is currently designed and being operated in compliance with Section 401(a) of the Internal Revenue Code of 1986, as amended. With respect to the operation of the Plan, Plan management is aware of certain operational defects which could adversely affect tax-exempt status of the Plan. These operational defects will be corrected through the use of the Voluntary Compliance Resolution (VCR) program. Submissions to the VCR program were made on August 2, 1996 and June 11, 1997 and supplemented on August 8, 1997, November 12, 1997 and May 1, 1998. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Inasmuch as it is the opinion of Management that the Plan is qualified, employees participating in the Plan are not taxed on Company contributions made on their behalf, on employee contributions made on a pre-tax basis, on earnings on such Company contributions or pre-tax employee contributions, or on earnings on after-tax employee contributions, until any such amounts are distributed.

7. PLAN TERMINATION

Although the Plan is intended to be continued by the Company, the Company reserves the right to amend or terminate the Plan. In the event of a Plan termination or partial termination, or the Company permanently ceases to make contributions, all invested amounts shall immediately vest and be nonforfeitable. All funds shall continue to be held for distribution as provided in the Plan.

8. FUND INFORMATION

Investments at fair value, investment income, contributions, and distributions to participants by fund are as follows as of and for the years ended December 31, 1997 and 1996:

	1997	1996
Investments at fair value:		
Union Pacific Common Stock Fund*	\$128,656,477	\$127,266,375
Union Pacific Equity Index Fund*	131,314,520	91,508,657
Union Pacific Fixed Income Fund*	96,389,389	92,215,165
Common Stock/PAYSOP	10,656,764	10,378,499
Resources Stock Fund*	35,830,871	51,360,520
Vanguard/Wellington Fund*	42,043,138	30,566,181
VMMR Prime Portfolio	3,492,575	1,984,161
Vanguard U.S. Growth Fund*	43,820,474	26,813,999
Vanguard International Growth Portfolio Fund*	27,712,992	24,514,297
Vanguard Bond Index Fund	6,983,050	3,417,789
Loan Fund	17,070,928	16,151,677
	-----	-----
	\$543,971,178	\$476,177,320
	=====	=====
Investment Income:		
Union Pacific Common Stock Fund*	\$ 9,264,845	\$ 25,406,609
Union Pacific Equity Index Fund*	31,180,397	17,420,616
Union Pacific Fixed Income Fund*	6,130,541	5,494,978
Common Stock/PAYSOP	678,780	2,507,552
Resources Stock Fund*	(7,968,006)	18,858,691
Vanguard/Wellington Fund*	7,315,343	4,233,058
VMMR Prime Portfolio	108,375	54,700
Vanguard U.S. Growth Fund*	7,475,898	4,800,095
Vanguard International Growth Portfolio Fund*	861,077	2,971,594
Vanguard Bond Index Fund	409,489	93,817
Loan Fund	1,328,810	1,255,502
	-----	-----
	\$ 56,785,549	\$ 83,097,212
	=====	=====

* Represents more than 5% of the net assets available for benefits

	1997	1996
Contributions:		
Union Pacific Common Stock Fund	\$ 9,407,739	\$ 8,736,619
Union Pacific Equity Index Fund	6,430,945	6,599,982
Union Pacific Fixed Income Fund	4,654,539	5,699,884
Company Stock/PAYSOP	556	5,741
Resources Stock Fund	-	3,160
Vanguard/Wellington Fund	4,113,748	4,023,577
VMMR Prime Portfolio	196,243	163,231
Vanguard U.S. Growth Fund	3,971,560	2,834,554
Vanguard International Growth Portfolio Fund	2,566,488	2,663,227
Vanguard Bond Index Fund	557,861	563,237
Loan Fund	299	-
	-----	-----
	\$31,899,380	\$31,293,212
Distributions to Participants:		
Union Pacific Common Stock Fund	\$ 4,987,529	\$ 5,148,631
Union Pacific Equity Index Fund	4,107,006	4,485,174
Union Pacific Fixed Income Fund	5,151,165	5,926,598
Company Stock/PAYSOP	401,071	413,842
Resources Stock Fund	1,592,926	324,621
Vanguard/Wellington Fund	1,412,963	1,575,834
VMMR Prime Portfolio	157,009	713,289
Vanguard U.S. Growth Fund	1,959,187	810,357
Vanguard International Growth Portfolio Fund	650,038	934,304
Vanguard Bond Index Fund	53,352	100,045
Loan Fund	418,825	408,338
	-----	-----
	\$20,891,071	\$20,841,033
	=====	=====

9. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Common Stock Fund which is invested primarily in the common stock of Union Pacific Corporation. Union Pacific Corporation is the holding company of the Plan sponsor and, therefore, these transactions qualify as party-in-interest transactions.

The Plan also invests in various funds managed by Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the Trustee as defined by the Plan and, therefore, the related transactions qualify as party-in-interest transactions.

COVER

EXHIBIT 99(B)
UNION PACIFIC FRUIT EXPRESS COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Financial Statements as of and for the
Years Ended December 31, 1997 and 1996,
Supplemental Schedules as of and for the
Year Ended December 31, 1997
and Independent Auditors' Report
UNION PACIFIC FRUIT EXPRESS COMPANY AGREEMENT
EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

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Schedules not filed herewith are omitted because of the absence of the conditions under which they are required.

INDEPENDENT AUDITORS' REPORT

Union Pacific Fruit Express Company Agreement
Employee 401(k) Retirement Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the Union Pacific Fruit Express Company Agreement Employee 401(k) Retirement Thrift Plan (the Plan) as of December 31, 1997 and 1996, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1997 and 1996, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in the audit of the basic 1997 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 3, 1998

UNION PACIFIC FRUIT EXPRESS COMPANY AGREEMENT
EMPLOYEE 401(k) RETIREMENT THRIFT PLANSTATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997 AND 1996

	1997	1996
ASSETS:		
Investments at fair value (Note 3)	\$481,248 -----	\$301,787 -----
Net assets available for benefits	\$481,248 -----	\$301,787 -----

The accompanying notes are an integral part of these financial statements.

UNION PACIFIC FRUIT EXPRESS COMPANY AGREEMENT
EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 7):		
Net appreciation in fair value of investments (Note 3)	\$ 54,742	\$ 35,133
Interest	284	171
Dividends	19,124	12,049
	-----	-----
	74,150	47,353
Employee contributions (Note 7)	107,175	83,291
	-----	-----
Total Additions	181,325	130,644
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants (Note 7)	1,864	4,500
	-----	-----
NET INCREASE	179,461	126,144
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	301,787	175,643
	-----	-----
End of Year	\$481,248	\$301,787
	=====	=====

The accompanying notes are an integral part of these financial statements.

UNION PACIFIC FRUIT EXPRESS COMPANY AGREEMENT
EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 AND 1996

1. DESCRIPTION OF PLAN

The following description of the Union Pacific Fruit Express Company Agreement Employee 401(k) Retirement Thrift Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan covering employees of the Union Pacific Fruit Express Company (the Company) who are governed by a collective bargaining agreement entered into between the Company and a Union to which eligibility to participate in the Plan has been extended, and have completed one year of service or were employees as of the effective date of the Plan, August 1, 1993. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions - Participants may contribute 2% to 8% (20% effective 1/1/98) of their compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code. Participants may also contribute, effective May 1997, 1% to 20% of their compensation on an after-tax basis. Combined after-tax and pre-tax contributions may not exceed 20% of compensation. The Company does not contribute to the Plan.

Participant Accounts - Each participant account is credited with the participant's contributions and an allocation of the Plan's earnings. Allocations are based on participant account balances and the funds in which the participant has elected to invest his/her accounts.

Vesting - Participants are at all times 100% vested in the value of their account.

Payment of Benefits - Distribution of benefits shall be in a lump sum as soon as possible following the participant's termination of employment, subject to certain consent requirements for participants whose accounts exceed a statutory cash-out threshold. If a participant, whose account exceeds the threshold does not consent to payment at termination, the account will be paid on the earliest of the participant's request for payment, the participant's death, or the participant's reaching age 70-1/2. Pay-out is mandatory for a participant who has reached age 70-1/2 but has not terminated employment.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accounts of the Plan have been prepared in accordance with generally accepted accounting principles. The financial statements were prepared in accordance with the financial reporting requirements of ERISA as permitted by the Securities and Exchange Commission's amendments to Form 11-K adopted during 1990.

Investment Valuation and Income Recognition - Investments in the Union Pacific Common Stock Fund, Resources Stock Fund, Vanguard/Wellington Fund, Vanguard Index Trust-500 Portfolio Fund, Vanguard Money Market Reserves - Prime Portfolio, Vanguard U.S. Growth Fund, Vanguard International Growth Portfolio Fund, and the Vanguard Bond Index Fund are valued at fair value as determined by quoted market prices. The investments in the Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund) are valued at fair value as determined by Vanguard Fiduciary Trust Company. Dividend income is recorded as of the ex-dividend date. Security transactions are recorded as of the trade date.

Payment of Benefits - Benefits are recorded when paid.

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

3. INVESTMENTS

Plan participants may direct their contributions in various proportions to any of the eight available investment funds identified below:

Union Pacific Common Stock Fund - This fund is administered as a separate account by Vanguard Fiduciary Trust Company and invests primarily in the stock of Union Pacific Corporation. It also maintains a small cash position invested in Vanguard Money Market Reserves, to facilitate transactions. The Company stock fund is divided into fund shares, rather than shares of company stock.

Vanguard/Wellington Fund - This fund consists of investment in the Vanguard Wellington Mutual Fund which is comprised of common stocks and fixed income securities.

Vanguard Index Trust-500 Portfolio Fund - This fund consists of investment in the Vanguard Index Trust-500 Portfolio Mutual Fund, a diversified open-end investment company, or mutual fund, and comprises the 500, Growth, Value, Extended Market, Small Capitalization Stock and Total Retirement Savings Trust Stock Market Portfolios.

Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund) - This fund consists of investment in the Vanguard Retirement Savings Trust, a collective investment of assets of tax-qualified pension and profit sharing plan trusts primarily in a pool of investment contracts that are issued by insurance companies and commercial banks.

Vanguard U.S. Growth Fund - This fund consists of investment in the Vanguard US Growth Mutual Fund which is comprised of established U.S. growth stocks.

Vanguard International Growth Portfolio Fund - This fund consists of investment in the Vanguard International Growth Portfolio Mutual Fund which is comprised of foreign common stocks with high growth potential.

Vanguard Bond Index Fund - This fund consists of investment in the Vanguard Total Bond Market Mutual Fund which is designed to closely track the investment performance of the Lehman Brothers Aggregate Bond Index

Vanguard Money Market Reserves - Prime Portfolio - This fund consists of investment in the Vanguard Money Market Reserves - Prime Portfolio which is a diversified money market investment fund invested and reinvested in high quality certificates of deposit, bankers' acceptances, commercial paper, U.S. Government Securities and other short-term obligations with the objective of preserving principal while providing income.

In September 1996, the Company's Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group Inc. ("Resources") common stock owned by the Company ("the Spin-Off"). As a result of the Spin-Off, each of the Company's stockholders received 0.846946 of a share of Resources common stock for each share of Company common stock held by such stockholders at the September 26, 1996 record date for the distribution. Therefore, each Plan participant's account received 0.846946 of a share of Resources common stock for each share of Company common stock held in the account. The shares received were placed in the Resources Stock Fund ("Resources Stock"). Future contributions to Resources Stock are not permitted.

The following table presents the fair value of investments. Investments that represent 5% or more of the Plan's net assets are separately identified.

	December 31, 1997		December 31, 1996	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value as Determined				
by Quoted Market Price:				
Union Pacific Common Stock Fund	7,413.493	\$ 75,914	4,682,749	\$ 46,172
Resources Stock Fund	1,308.756	11,386	1,630.503	17,104
Vanguard/Wellington Fund	4,801.054	141,391	3,644.406	95,301
Vanguard Index Trust - 500 Portfolio Fund	2,203.328	198,454		
Vanguard U.S. Growth Fund	994.313	28,537	701.654	16,657
Other	-	20,231	-	5,805
		20,231		
		-----		-----
		475,913		298,403
Investments at Estimated Fair Value:				
Vanguard Retirement Savings Trust Fund	5,335.320	5,335	3,383.690	3,384
		-----		-----
Total Investments at Fair		\$481,248		\$301,787
		=====		=====

8

	Year Ended	December 31,
	1997	1996
Investment Income:		
Union Pacific Common Stock Fund	\$ 2,936	\$10,446
Resources Stock Fund	(2,610)	3,081
Vanguard/Wellington Fund	24,989	12,061
Vanguard Index Trust - 500 Portfolio Fund	43,172	19,350
Vanguard Retirement Savings Trust Fund (formerly Vanguard Investment Contract Trust Fund)	284	171
Vanguard U.S. Growth Fund	4,985	1,686
Vanguard International Growth Portfolio Fund	132	490
Vanguard Bond Index Fund	148	68
Vanguard Money Market Reserves - Prime Portfolio	114	-
	-----	-----
	\$ 74,150	\$47,353
	=====	=====
Contributions:		
Union Pacific Common Stock Fund	\$ 28,377	\$21,351
Resources Stock Fund	-	-
Vanguard/Wellington Fund	31,660	24,300
Vanguard Index Trust - 500 Portfolio Fund	34,622	28,665
Vanguard Retirement Savings Trust Fund (formerly Vanguard Investment Contract Trust Fund)	1,590	732
Vanguard U.S. Growth Fund	6,894	5,308
Vanguard International Growth Portfolio Fund	2,729	2,562
Vanguard Bond Index Fund	1,303	373
Vanguard Money Market Reserves - Prime Portfolio	-	-
	-----	-----
	\$107,175	\$83,291
	=====	=====
Distributions to participants:		
Union Pacific Common Stock Fund	\$ 350	\$ 4,500
Resources Stock Fund	86	-
Vanguard/Wellington Fund	1,428	-
Vanguard Index Trust - 500 Portfolio Fund	-	-
Vanguard Retirement Savings Trust Fund (formerly Vanguard		

Investment Contract Trust Fund)	-	-
Vanguard U.S. Growth Fund	-	-
Vanguard International Growth Portfolio Fund	-	-
Vanguard Bond Index Fund	-	-
Vanguard Money Market Reserves - Prime Portfolio	-	-
	-----	-----
	\$ 1,864	\$ 4,500
	=====	=====

8. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Company Stock Fund which is invested primarily in common stock of Union Pacific Corporation. Union Pacific Corporation is the holding company of the Plan sponsor and, therefore, these transactions qualify as party-in-interest transactions.

The Plan also invests in various funds managed by Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the trustee as defined by the Plan and, therefore, the related transactions qualify as party-in-interest transactions.

UNION PACIFIC FRUIT EXPRESS COMPANY
 AGREEMENT
 EMPLOYEE 401(k)
 RETIREMENT THRIFT PLAN

Item 27a - SCHEDULE OF
 ASSETS HELD FOR
 INVESTMENT PURPOSES
 DECEMBER 31, 1997

Column B	Column C	Column D	Column E
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Collateral, Rate of Interest, Maturity Date, Par or Maturity Value	Cost	Current Value
Union Pacific Common Stock Fund *	7,413.493 units	\$ 62,550	\$ 75,914
Resources Stock Fund	1,308.756 units	11,263	11,386
Vanguard Wellington Fund *	4,801.054 units	118,172	141,391
Vanguard Index Trust - 500 Portfolio Fund *	2,203.328 units	129,751	198,454
Vanguard U.S. Growth Fund *	994.313 units	24,059	28,537
Vanguard International Growth Portfolio Fund *	480.868 units	7,843	7,882
Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund) *	5,335.320 units	5,335	5,335
Vanguard Bond Index Fund *	221.518 units	2,173	2,235
Vanguard Money Market Reserves - Prime Portfolio *	10,114.310 units	10,114	10,114
		\$371,260	----- \$481,248 =====

* Represents a party-in-interest

UNION PACIFIC FRUIT EXPRESS COMPANY
 AGREEMENT EMPLOYEE 401(k) RETIREMENT THRIFT PLAN

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
 YEAR ENDED DECEMBER 31, 1997

Series of Transactions, When Aggregated, Involving an
 Amount in Excess of 5% of the Current Value of Plan Assets:

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Identity of Party Involved	Description of Asset	Number of Purchases	Number of Sales	Total Dollar Value of	Total Dollar Value of	Net Gain or (Loss)
				Purchases	Sales	
Vanguard Fiduciary Trust Company *	Union Pacific Common Stock Fund	30	3	\$32,180	\$ 3,582	\$ 744
Vanguard Fiduciary Trust Company *	Vanguard Wellington Fund	29	2	\$44,267	\$11,428	\$2,794
Vanguard Fiduciary Trust Company *	Vanguard Index Trust 500 Portfolio	29	-	\$41,802	\$-	\$-

* Represents a party-in-interest

COVER

EXHIBIT 99(C)
UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Financial Statements as of and for the
Years Ended December 31, 1997 and 1996,
Supplemental Schedules as of and for the
Year Ended December 31, 1997
and Independent Auditors' Report
UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

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Schedules not filed herewith are omitted because of the absence of the conditions under which they are required.

INDEPENDENT AUDITORS' REPORT

Union Pacific Agreement Employee 401(k)
Retirement Thrift Plan

We have audited the accompanying statements of net assets available for benefits of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan (the Plan) as of December 31, 1997 and 1996, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1997 and 1996, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in the audit of the basic 1997 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 3, 1998

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLANSTATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997 AND 1996

	1997	1996
ASSETS:		
Investments at fair value (Note 3)	\$143,012,513	\$92,719,672
	-----	-----
Net assets available for benefits	\$143,012,513	\$92,719,672
	=====	=====

The accompanying notes are an integral part of these financial statements.

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 7):		
Net appreciation in fair value of		
investments (Note 3)	\$ 15,163,982	\$10,564,969
Interest	485,016	330,166
Dividends	5,149,480	3,212,755
	-----	-----
	20,798,478	14,107,890
Employee contributions (Note 7)	32,360,426	24,829,233
	-----	-----
Total Additions	53,158,904	38,937,123
	-----	-----
DEDUCTION FROM NET ASSETS ATTRIBUTED TO:		
Distribution to participants (Note 7)	2,866,063	1,357,442
	-----	-----
NET INCREASE	50,292,841	37,579,681
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	92,719,672	55,139,991
	-----	-----
End of Year	\$143,012,513	\$92,719,672
	=====	=====

The accompanying notes are an integral part of these financial statements.

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 AND 1996

1. DESCRIPTION OF PLAN

The following description of the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan covering employees of the Union Pacific Railroad Company and its Railroad affiliates (the Company) who are represented for the purposes of collective bargaining by a rail union, to which eligibility to participate in the Plan has been extended. The Plan covers employees who have completed one year of service or were employees as of the effective date of the Plan, July 1, 1990. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions - Participants may contribute 2% to 8% (20% effective 1/1/98) of their compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code. Participants may also contribute, effective May 1997, 1% to 20% of their compensation on an after-tax basis. Combined after-tax and pre-tax contributions may not exceed 20% of compensation. The Company does not contribute to the Plan.

Participant Accounts - Each participant account is credited with the participant's contributions and an allocation of the Plan's earnings. Allocations are based on participant account balances and the funds in which the participant has elected to invest his/her accounts.

Vesting - Participants are at all times 100% vested in the value of their account.

Payment of Benefits - Distribution of benefits shall be in a lump sum as soon as possible following the participant's termination of employment, subject to certain consent requirements for participants whose accounts exceed a statutory cash-out threshold. If a participant, whose account exceeds the threshold does not consent to payment at termination, the account will be paid on the earliest of the participant's request for payment, the participant's death, or the participant's reaching age 70-1/2. Pay-out is mandatory for a participant who has reached age 70-1/2 but has not terminated employment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accounts of the Plan have been prepared in accordance with generally accepted accounting principles. The financial statements were prepared in accordance with the financial reporting requirements of ERISA as permitted by the Securities and Exchange Commission's amendments to Form 11-K adopted during 1990.

Investment Valuation and Income Recognition - Investments in the Union Pacific Common Stock Fund, Resources Stock Fund, Vanguard/Wellington Fund, Vanguard Index Trust-500 Portfolio Fund, Vanguard Money Market Reserves - Prime Portfolio, Vanguard U.S. Growth Fund, Vanguard International Growth Portfolio Fund, and the Vanguard Bond Index Fund are valued at fair value as determined by quoted market prices. The investments in the Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund) are valued at fair value as determined by Vanguard Fiduciary Trust Company. Dividend income is recorded as of the ex-dividend date. Security transactions are recorded as of the trade date.

Payment of Benefits - Benefits are recorded when paid.

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

3. INVESTMENTS

Plan participants may direct their contributions in various proportions to any of the eight available investment funds identified below:

Union Pacific Common Stock Fund - This fund is administered as a separate account by Vanguard Fiduciary Trust Company and invests primarily in the stock of Union Pacific Corporation. It also maintains a small cash position invested in Vanguard Money Market Reserves, to facilitate transactions. The Company stock fund is divided into fund shares, rather than shares of company stock.

Vanguard/Wellington Fund - This fund consists of investment in the Vanguard Wellington Mutual Fund which is comprised of common stocks and fixed income securities.

Vanguard Index Trust-500 Portfolio Fund - This fund consists of investment in the Vanguard Index Trust-500 Portfolio Mutual Fund, a diversified open-end investment company, or mutual fund, and comprises the 500, Growth, Value, Extended Market, Small Capitalization Stock and Total Stock Market Portfolios.

Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund) - This fund consists of investment in the Vanguard Retirement Savings Trust, a collective investment of assets of tax-qualified pension and profit sharing plan trusts primarily in a pool of investment contracts that are issued by insurance companies and commercial banks.

Vanguard U.S. Growth Fund - This fund consists of investment in the Vanguard US Growth Mutual Fund which is comprised of established U.S. growth stocks.

Vanguard International Growth Portfolio Fund - This fund consists of investment in the Vanguard International Growth Portfolio Mutual Fund which is comprised of foreign common stocks with high growth potential.

Vanguard Bond Index Fund - This fund consists of investment in the Vanguard Total Bond Market Mutual Fund which is designed to closely track the investment performance of the Lehman Brothers Aggregate Bond Index

Vanguard Money Market Reserves - Prime Portfolio - This fund consists of investment in the Vanguard Money Market Reserves - Prime Portfolio which is a diversified money market investment fund invested and reinvested in high quality certificates of deposit, bankers' acceptances, commercial paper, U.S. Government Securities and other short-term obligations with the objective of preserving principal while providing income.

In September 1996, the Company's Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group Inc. ("Resources") common stock owned by the Company ("the Spin-Off"). As a

result of the Spin-Off, each of the Company's stockholders received 0.846946 of a share of Resources common stock for each share of Company common stock held by such stockholders at the September 26, 1996 record date for the distribution. Therefore, each Plan participant's account received 0.846946 of a share of Resources common stock for each share of Company common stock held in the account. The shares received were placed in the Resources Stock Fund ("Resources Stock"). Future contributions to Resources Stock are not permitted.

The following table presents the fair value of investments. Investments that represent 5% or more of the Plan's net assets are separately identified.

	December 31, 1997		December 31, 1996	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value as Determined by Quoted Market Price:				
Union Pacific Common Stock Fund	1,829,943	\$ 18,738,611	1,455,658.553	\$14,352,794
Resources Stock Fund	421,515	3,667,175	493,540.126	5,177,236
Vanguard/Wellington Fund	1,161,554	34,207,780	845,091.198	22,099,135
Vanguard Index Trust - 500 Portfolio Fund	656,404	59,122,300	499,790.113	34,565,484
Vanguard U.S. Growth Fund	354,210	10,165,824	202,362.143	4,804,077
Vanguard International Growth Portfolio Fund	362,128	5,935,286	248,062.367	4,083,107
Other	-	2,153,645	63,324.862	623,116
		-----		-----
		133,990,621		85,704,949
		-----		-----
Investments at Estimated Fair Value:				
Vanguard Retirement Savings Trust Fund	9,021,892	9,021,892	7,014,723.420	7,014,723
		-----		-----
		\$143,012,513		\$92,719,672
		=====		=====

During 1997 and 1996, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by \$15,163,982 and \$10,564,969, respectively, as follows:

	Year Ended December 31,	
Net Change in Fair Value	1997	1996
Investments at Fair Value as Determined by Quoted Market Price:		
Union Pacific Common Stock Fund	\$ 472,292	\$ 2,927,426
Resources Stock Fund	(834,278)	979,849
Mutual Funds	15,525,968	6,657,694
	-----	-----
Net change in fair value	\$15,163,982	\$10,564,969
	=====	=====

4. PLAN ADMINISTRATION

The Plan is administered by the Senior Vice President, Human Resources of the Union Pacific Corporation. All expenses incurred in the administration of the Plan are paid by the Company.

5. TAX STATUS

The Plan obtained a tax determination letter dated July 27, 1995, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the Code). The Plan has been amended since receiving the determination letter. However, Plan management believes that the Plan currently is being operated in compliance with the applicable requirements of the Internal Revenue Code. With respect to the operation of the Plan, Plan management is aware of certain operational defects which could adversely affect the tax-exempt status of the Plan. These operational defects will be corrected through the use of the Voluntary Compliance Resolution (VCR) program. Submission to the VCR program was made on April 2, 1998. Therefore, no provision for income taxes has been included in the Plan's financial statements.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan at any time, to terminate the Plan subject to the provisions of ERISA. Regardless of such actions, the principal and income of the Plan remains for the exclusive benefit of the Plan's participants and beneficiaries. The Company may direct the Trustee either to distribute the Plan's assets to the participants, or to continue the Trust and distribute benefits as though the Plan had not been terminated.

7. FUND INFORMATION

Investment income, contributions and distributions to participants by fund are as follows for the years ended December 31, 1997 and 1996:

	Year Ended December 31,	
	1997	1996
Investment Income:		
Union Pacific Common Stock Fund	\$ 953,676	\$ 3,271,547
Resources Stock Fund	(809,327)	979,849
Vanguard/Wellington Fund	5,724,612	2,821,356
Vanguard Index Trust - 500 Portfolio Fund	12,685,750	5,730,512
Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund)	485,016	330,166
Vanguard U.S. Growth Fund	1,580,094	553,670
Vanguard International Growth Portfolio Fund	85,261	400,405
Vanguard Bond Index Fund	81,767	20,385
Vanguard Money Market Reserves - Prime Portfolio	11,629	-
	-----	-----
	\$20,798,478	\$14,107,890
	=====	=====

Contributions:

Union Pacific Common Stock Fund	\$ 5,760,739	\$ 4,741,092
Resources Stock Fund	-	-
Vanguard/Wellington Fund	7,080,611	5,981,467
Vanguard Index Trust - 500 Portfolio Fund	10,984,728	8,406,639
Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund)	2,027,165	1,847,997
Vanguard U.S. Growth Fund	3,584,223	1,752,820
Vanguard International Growth Portfolio Fund	2,328,546	1,736,846
Vanguard Bond Index Fund	523,020	362,372
Vanguard Money Market Reserves - Prime Portfolio	71,394	-
	-----	-----
	\$32,360,426	\$24,829,233
	=====	=====

Distributions to participants:

Union Pacific Common Stock Fund	\$ 488,636	\$ 274,615
Resources Stock Fund	112,200	15,538
Vanguard/Wellington Fund	712,206	396,073
Vanguard Index Trust - 500 Portfolio Fund	943,177	461,026
Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund)	327,250	152,800
Vanguard U.S. Growth Fund	143,216	12,101
Vanguard International Growth Portfolio Fund	108,825	42,826
Vanguard Bond Index Fund	10,805	2,463
Vanguard Money Market Reserves - Prime Portfolio	19,748	-
	-----	-----
	\$ 2,866,063	\$ 1,357,442
	=====	=====

8. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Company Stock Fund which is invested primarily in the common stock of Union Pacific Corporation. Union Pacific Corporation is the holding company of the Plan sponsor and, therefore, these transactions qualify as party-in-interest transactions.

The Plan also invests in various funds managed by Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the trustee as defined by the Plan and, therefore, the related transactions qualify as party-in-interest transactions.

UNION PACIFIC AGREEMENT EMPLOYEE
 401(k) RETIREMENT THRIFT PLAN

 Item 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 DECEMBER 31, 1997

Column B	Column C	Column D	Column E
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Collateral, Rate of Interest, Maturity Date, Par or Maturity Value	Cost	Current Value
Union Pacific Company Stock Fund*	1,829,943 units	\$ 15,121,620	\$ 18,738,611
Resources Stock Fund	421,515 units	3,605,095	3,667,175
Vanguard/Wellington Fund*	1,161,554 units	28,676,363	34,207,780
Vanguard Index Trust - 500 Portfolio Fund*	656,404 units	39,775,280	59,122,300
Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund)*	9,021,892 units	9,021,892	9,021,892
Vanguard U.S. Growth Fund*	354,210 units	8,889,259	10,165,824
Vanguard International Growth Portfolio Fund*	362,128 units	5,933,951	5,935,286
Vanguard Bond Index Fund*	139,110 units	1,374,228	1,403,619
Vanguard Money Market Reserve - Prime Portfolio*	750,026 units	750,026	750,026
		----- \$113,147,714 =====	----- \$143,012,513 =====

* Represents a party-in-interest

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 1997

Single Transactions Involving an Amount in Excess
of 5% of the Current value of Plan Assets:

Column A	Column B	Column C	Column D	Column G	Column H	Column I
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Vanguard Fiduciary Trust Company*	Union Pacific Common Stock Fund	\$ 8,845,212	\$ -	\$ -	\$ 8,845,212	\$ -
Vanguard Fiduciary Trust Company*	Union Pacific Common Stock Fund	\$ -	\$ 4,931,685	\$ 4,119,849	\$ 4,931,685	\$ 811,836
Vanguard Fiduciary Trust Company*	Vanguard Wellington Fund	\$11,645,691	\$ -	\$ -	\$11,645,691	\$ -
Vanguard Fiduciary Trust Company*	Vanguard Index Trust - 500 Portfolio Fund	\$17,422,445	\$ -	\$ -	\$17,422,445	\$ -
Vanguard Fiduciary Trust Company*	Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund)	\$ 5,947,342	\$ -	\$ -	\$ 5,947,342	\$ -
Vanguard Fiduciary Trust Company *	Vanguard U.S. Growth Fund	\$ 6,128,644	\$ -	\$ -	\$ 6,128,644	\$ -

Series of Transactions, When Aggregated, Involving an
Amount in Excess of 5% of the Current Value of Plan Assets:

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Identity of Party Involved	Description of Asset	Number of Purchases	Number of Sales	Total Dollar Value of Purchases	Total Dollar Value of Sales	Net Gain or (Loss)
Vanguard Fiduciary Trust Company*	Union Pacific Common Stock Fund	201	210	\$ 8,926,045	\$ 5,012,519	\$ 837,458
Vanguard Fiduciary Trust Company*	Vanguard/Wellington Fund	179	215	\$11,771,097	\$ 2,587,890	\$ 384,656
Vanguard Fiduciary Trust Company*	Vanguard Index Trust - 500 Portfolio Fund	238	221	\$17,570,311	\$ 4,552,860	\$1,049,855
Vanguard Fiduciary Trust Company*	Vanguard Retirement Savings Trust (formerly Vanguard Investment Contract Trust Fund)	250	242	\$ 5,984,915	\$ 3,977,747	\$ -
Vanguard Fiduciary Trust Company*	Vanguard U.S. Growth Fund	214	191	\$ 6,147,633	\$ 1,984,172	\$ 199,019

* Represents a party-in-interest

COVER

EXHIBIT 99(D)
CHICAGO AND NORTH WESTERN
RAILWAY COMPANY
PROFIT SHARING AND RETIREMENT
SAVINGS PROGRAM

Financial Statements as of and for the
Years Ended December 31, 1997 and 1996,
Supplemental Schedules as of and for
the Year Ended December 31, 1997
and Independent Auditors' Report

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CHICAGO AND NORTH WESTERN RAILWAY COMPANY
PROFIT SHARING AND RETIREMENT SAVINGS PROGRAM

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Additional supplemental schedules required by the Employee Retirement Income Security Act of 1974 are disclosed separately in Master Trust reports filed with the Department of Labor or are omitted because of the absence of the conditions under which they are required.

INDEPENDENT AUDITORS' REPORT

Chicago and North Western Railway Company
Profit Sharing and Retirement Savings Program Committee

We have audited the accompanying statements of net assets available for benefits of the Chicago and North Western Railway Company Profit Sharing and Retirement Savings Program (the Program) as of December 31, 1997 and 1996, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Program as of December 31, 1997 and 1996, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Program's management. Such schedules have been subjected to the auditing procedures applied in the audit of the basic 1997 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 3, 1998

CHICAGO AND NORTH WESTERN RAILWAY COMPANY
PROFIT SHARING AND RETIREMENT SAVINGS PROGRAMSTATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997 AND 1996

	1997	1996
ASSETS		
INVESTMENTS, at fair value (Notes 3, 5 and 10)	\$124,517,334	\$101,413,931
INVESTMENTS, at contract value (Notes 3, 6 and 10):		
Investment contract with insurance company	32,803,511	37,737,581
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$157,320,845	\$139,151,512
	=====	=====

The accompanying notes are an integral part of these financial statements.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY
 PROFIT SHARING AND RETIREMENT SAVINGS PROGRAM

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
ADDITIONS TO NET ASSETS ATTRIBUTABLE TO:		
Investment income (Note 10):		
Net appreciation in fair value of investments (Note 5)	\$ 10,609,206	\$ 12,828,800
Interest and dividends	15,912,788	10,287,291
	-----	-----
Total Additions	26,521,994	23,116,091
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTABLE TO:		
Distributions to participants (Note 10)	8,352,661	27,923,207
	-----	-----
TRANSFERS TO SUPPLEMENTAL PENSION PLAN	-	22,264
	-----	-----
NET INCREASE (DECREASE)	18,169,333	(4,829,380)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	139,151,512	143,980,892
	-----	-----
End of Year	\$157,320,845	\$139,151,512
	=====	=====

The accompanying notes are an integral part of these financial statements.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY
PROFIT SHARING AND RETIREMENT SAVINGS PROGRAM

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 AND 1996

1. DESCRIPTION OF PROGRAM

The following description of the Chicago and North Western Railway Company Profit Sharing and Retirement Savings Program (the Program), prior to the adoption of amendments as described in Note 2, provides only general information. Participants should refer to the Program document for a more complete description of the Program's provisions.

General - The Program was initially established to provide retirement benefits to eligible employees of Chicago and North Western Railway Company (the Company) and other common control employers who adopt the Program. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Participant Accounts - Each participant account is credited with the participant's contributions and an allocation of the Program's earnings. Allocations are based on participant account balances and the funds in which the participant has elected to invest his/her accounts.

Vesting - Effective January 1, 1995, participants were fully vested in amounts credited to their account.

Investment Options - Upon enrollment in the Program, a participant may have directed employee contributions in any of ten funds (Note 2).

Union Pacific Common Stock Fund - Funds are primarily invested in common stock of Union Pacific.

Union Pacific Equity Fund - Funds are primarily invested in shares of a registered investment company that invests in common stocks in a manner designed to closely track the investment performance of the Standard and Poor's 500 Composite Stock Index.

Union Pacific Fixed Income Fund - Funds are primarily invested in guaranteed investment contracts held with insurance companies rated at least A-1 by Standard and Poors. Funds are also invested in a registered investment company that invests in guaranteed investment contracts.

Vanguard/Windsor Fund - Funds are invested in shares of a registered investment company that invests in common stocks.

Vanguard/Wellington Fund - Funds are invested in shares of a registered investment company that invests in common stocks and fixed income securities.

Vanguard Money Market Reserves Prime Portfolio(VMMR Prime Portfolio) - Funds are invested in shares of a registered investment company that invests in high quality certificates of deposit, bankers' acceptances, commercial paper, U.S. Government Securities, and other short-term obligations with the objective of preserving principal while providing income.

Vanguard U.S. Growth Fund - Funds are invested in shares of a registered investment company that invests in the common stock of established U.S. growth companies.

Vanguard International Growth Portfolio Fund - Funds are invested in shares of a registered investment company that invests in foreign common stocks with high growth potential.

Vanguard Bond Index Fund - Total Bond Market Portfolio - Funds are invested in shares of a registered investment company that invests in fixed income securities in a manner which is designed to closely track the investment performance of the Lehman Brothers Aggregate Bond Index.

Northwestern National Life Insurance Company (NWNL) Guaranteed Investment Contract (GIC) - Fund is invested in an investment contract with NWNL.

Payment of Benefits - Under the terms of the Program, benefits are to be paid in the form of a joint and survivor annuity. Assets of a participant's account may, as determined by the participant (with spousal consent when required), be paid to him/her in a lump sum or in installments. In order to provide a joint and survivor annuity (or single life annuity where spousal consent is obtained or there is no spouse) assets of the participant's account are transferred to the Chicago and North Western Railway Company Supplemental Pension Plan for payment of the annuity. The annuity may, at the option of the Program administrator, be purchased from a third party institution or paid from the assets of the Supplemental Pension Plan.

2. PROGRAM AMENDMENTS

Effective October 24, 1995, the Program was amended such that, the Program was frozen effective December 31, 1995. No new participants were allowed in the Program after December 31, 1995. Except for contributions made in 1996 with respect to 1995 in the customary manner of the Prior Program as in effect during 1995, there will be no contributions made to the Program after December 31, 1995.

Effective July 15, 1996, the Program was amended and restated. Program investment options were increased from four to ten. The ten available options are the Union Pacific Common Stock Fund (Company Stock), the Union Pacific Equity Fund (Equity Index), the Union Pacific Fixed Income Fund (Fixed Income), the Vanguard Bond Index Fund - Total Bond Market Portfolio (Bond Index), the Vanguard Market Reserves - Prime Portfolio Fund (VMMR Prime Portfolio), the Vanguard/Wellington Fund (Wellington), the Vanguard U.S. Growth Fund (U.S. Growth), the Vanguard International Growth Portfolio Fund (International Growth), the Vanguard/Windsor Fund (Windsor) and the NWNL Guaranteed Investment Contract Fund (NWNL GIC). In conjunction with the amendment and restatement, Program assets, except for the investment contract with an insurance company, were transferred to Vanguard Fiduciary Trust Company under a Master Trust Agreement.

Loans to Participants - Effective September 1, 1996, participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Loan Fund. Loan terms range from 1-5 years or up to 15 years for the purchase of a principal residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined quarterly by the Program administrator. Interest rates on loans currently outstanding range from 8.25% to 8.50%. Principal and interest is paid ratably, generally through monthly payroll deductions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Program have been prepared under the accrual method of accounting. The financial statements were prepared in accordance with the financial reporting requirements of ERISA as permitted by the Securities and Exchange Commission's amendments to Form 11-K adopted during 1990.

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

Investment Valuation and Income Recognition - The Program's investments are stated at fair value except for its investment contract with an insurance company which is valued at contract value (Note 7). If available, quoted market prices are used to value investments. The amounts shown in Note 5 for securities that have no quoted market price represent estimated fair value as determined by Vanguard Fiduciary Trust Company. Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend basis.

Payment of Benefits - Benefits are recorded when paid.

Administrative Expenses - The Program is administered by the Senior Vice President, Human Resources, of the Union Pacific Corporation. All administrative expenses of the Program with the exception of investment management fees are paid by the Company. Investment management fees are paid by the Program.

Reclassifications - Certain 1996 amounts have been reclassified to conform to the 1997 financial statement presentation.

4. RESOURCES STOCK FUND

In September 1996, the Company's Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group Inc. ("Resources") common stock owned by the Company ("the Spin-Off"). As a result of the Spin-Off, each of the Company's stockholders received 0.846946 of a share of Resources common stock for each share of Company common stock held by such stockholders at the September 26, 1996 record date for the distribution. Therefore, each Program participant's account received 0.846946 of a share of Resources common stock for each share of Company common stock held in the account. The shares received have been placed in the Resources Stock Fund ("Resources Stock"). Future contributions to Resources Stock are not permitted.

5. INVESTMENTS

The following table presents the fair value of investments:

	December 31,	
	1997	1996
Investments at Fair Value as Determined by Quoted Market Price:		
Master Trust	\$119,455,791	\$ 98,213,504
Investments at Estimated Fair Value:		
Master Trust	5,061,543	3,200,427
NWNL GIC	32,803,511	37,737,581
	-----	-----
	\$157,320,845	\$139,151,512
	=====	=====

During 1997 and 1996, the Program's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by \$10,609,206 and \$12,828,800, respectively, as follows:

	Year Ended December 31,	
Net Change in Fair Value	1997	1996
Investments at Fair Value as Determined by Quoted Market Price:		
Master Trust	\$10,601,756	\$12,847,585
Investments at Estimated Fair Value:		
Master Trust	7,450	(12,299)
NWNL GIC	-	(6,486)
Net Change in Fair Value	\$10,609,206	\$12,828,800
	=====	=====

6. MASTER TRUST

The assets comprising the Master Trust are presented in the following table:

	December 31,	
	1997	1996
Common Stock	\$180,366,490	\$189,870,983
Mutual Funds	449,880,397	276,457,039
Guaranteed Investment Contracts	201,246,115	93,697,351
Participant Loans	18,826,627	17,565,878
	-----	-----
	\$850,319,629	\$577,591,251
	=====	=====

Total interest and dividends of the Master Trust were \$42,436,033 and \$24,861,387 for the years ended December 31, 1997 and 1996, respectively. During 1997 and 1996, the Master Trust's investments (including investments bought, sold, and held during the year) appreciated in value by \$51,517,049 and \$96,600,069, respectively, as follows:

	December 31,	
Net appreciation (depreciation)	1997	1996
Common Stocks	\$(2,627,738)	\$58,743,085
Mutual Funds	54,009,125	37,932,780
Guaranteed Investment Contracts	135,662	(75,796)
	-----	-----
	\$51,517,049	\$96,600,069
	=====	=====

At December 31, 1997 and 1996, the Program held percentage interests in the Master Trust of 14.6% and 17.6%, respectively. Assets, liabilities, investment income, and security gains and losses are allocated monthly to the Program based on its equity in the investments of the Master Trust.

7. INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Program has entered into a benefit responsive investment contract with Northwestern National Life Insurance Company (Northwestern National). This contract is included in the financial statements at contract value, which approximates fair value. Contract value represents contributions made under the contract, plus earnings, less Program withdrawals and administrative expenses. Northwestern National maintains the contributions in a pooled account. The crediting interest rate under this contract at December 31, 1997 and 1996, and for the years then ended was 6.5% and 7.0%, respectively. Under this contract a penalty may be incurred for early withdrawal from the contract by the Program sponsor, Program termination and various other employer initiated events.

8. TAX STATUS

The Program obtained a tax determination letter dated April 16, 1996, in which the Internal Revenue Service stated that the Program, as amended through October 24, 1995, was in compliance with the applicable requirements of the Internal Revenue Code (the Code). The Program has been amended since receiving the determination letter. However, Program management believes that the program currently is being operated in compliance with the applicable requirements of the Internal Revenue Code. With respect to the operation of the Program, Program management is aware of certain operational defects which could adversely affect the tax exempt status of the Program. These operational defects will be corrected through the use of the Voluntary Compliance Resolution (VCR) program. Submissions to the VCR program were made on September 23, 1996, February 26, 1997 and February 11, 1998. Compliance statements were received on February 5, 1997, October 30, 1997 and June 11, 1998, respectively. Therefore, no provision for income taxes has been included in the Program's financial statements.

9. PROGRAM TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Program at any time, to terminate the Program subject to the provisions of ERISA. Regardless of such actions, the principal and income of the Program remains for the exclusive benefit of the Program's participants and beneficiaries. The Company may direct the Trustee either to distribute the Program's assets to the participants, or to continue the Trust and distribute benefits as though the Program had not been terminated.

10. FUND INFORMATION

Net assets available for benefits, participant contributions, withdrawals and investment income by fund are as follows as of and for the years ended December 31, 1997 and 1996:

	1997	1996
Net assets available for benefits:		
Union Pacific Common Stock Fund	\$ 1,036,046	\$ 653,871
Union Pacific Equity Fund	35,098,131	27,110,164
Union Pacific Fixed Income Fund	2,681,004	1,482,186
Vanguard Bond Index Fund - Total Bond Market Portfolio	238,257	169
Vanguard Money Market Reserves Prime Portfolio	624,840	304,040
Vanguard/Wellington Fund	3,243,208	777,296
Vanguard U.S. Growth Fund	2,004,614	1,436,948
Vanguard International Growth Portfolio Fund	985,909	371,142
Vanguard/Windsor Fund	76,732,277	67,652,196
NWNL GIC	32,803,511	37,737,581
Resources stock	117,349	211,718
Loan Fund	1,755,699	1,414,201
Total	\$157,320,845	\$139,151,512
	=====	=====

	1997	1996
Distributions to participants		
Union Pacific Common Stock Fund	\$ 548	\$ -
Union Pacific Equity Fund	1,293,010	277,582
Union Pacific Fixed Income Fund	4,466	-
Vanguard Bond Index Fund - Total Bond Market Portfolio	175	-
Vanguard Money Market Reserves Prime Portfolio	12,199	17,424
Vanguard/Wellington Fund	1,780	-
Vanguard U.S. Growth Fund	253	-
Vanguard International Growth Portfolio Fund	1,409	-
Vanguard/Windsor Fund	3,125,987	714,074
NWNL GIC	3,816,693	1,259,788
Resources stock	-	-
Loan Fund	96,141	-
Fund B	-	13,724,297
Fund C	-	11,844,618
Fund D and E	-	85,424
	-----	-----
Total	\$ 8,352,661	\$27,923,207
	=====	=====
Investment income:		
Union Pacific Common Stock Fund	\$ 88,452	\$ 116,708
Union Pacific Equity Fund	8,848,307	4,083,412
Union Pacific Fixed Income Fund	177,428	13,144
Vanguard Bond Index Fund - Total Bond Market Portfolio	11,837	181
Vanguard Money Market Reserves Prime Portfolio	26,264	7,941
Vanguard/Wellington Fund	368,986	38,184
Vanguard U.S. Growth Fund	368,771	55,671
Vanguard International Growth Portfolio Fund	14,189	14,216
Vanguard/Windsor Fund	14,393,833	10,918,491
NWNL GIC	2,121,962	993,921
Resources stock	(31,818)	3,873
Loan Fund	133,783	22,975
Fund B	-	4,885,681
Fund C	-	1,905,907
Fund D and E	-	55,786
	-----	-----
Total	\$26,521,994	\$23,116,091
	=====	=====

11. RELATED PARTY TRANSACTIONS

Program investments include the Union Pacific Common Stock Fund which is invested primarily in the common stock of Union Pacific Corporation. Union Pacific Corporation is the holding company of the Program sponsor and, therefore, these transactions qualify as party-in-interest transactions.

The Program also invests in various funds managed by Vanguard Fiduciary Trust Company and LaSalle National Trust. Vanguard Fiduciary Trust Company is the Trustee as defined by the Program and LaSalle National Trust was the Program Trustee prior to the appointment of Vanguard Fiduciary Trust Company and, therefore, the related transactions qualify as party-in-interest transactions.

CHICAGO AND NORTH WESTERN RAILWAY COMPANY
 PROFIT SHARING AND RETIREMENT SAVINGS PROGRAM

Item 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 DECEMBER 31, 1997

Column B	Column C	Column D	Column E
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Collateral, Rate of Interest, Maturity Date or Maturity Value	Cost	Current Value
Northwestern National Life Insurance Company Contract No. GA-135969-1-001	Group annuity contract fund 32,803,511 shares	\$32,803,511	\$32,803,511

CHICAGO AND NORTH WESTERN RAILWAY COMPANY
 PROFIT SHARING AND RETIREMENT SAVINGS PROGRAM

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
 YEAR ENDED DECEMBER 31, 1997

Single Transactions Involving
 an Amount in
 Excess of 5% of the Current
 Value of Program Assets:

Column A	Column B	Column C	Column D	Column G	Column H	Column I
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Northwestern National Life Insurance Company, Contract #GA-13569-1-001	Group annuity contract fund	\$2,122,698	\$ -	\$ -	\$2,122,698	\$ -
Northwestern National Life Insurance Company, Contract #GA-13569-1-001	Group annuity contract fund	\$ -	\$7,056,768	\$7,056,768	\$7,056,768	\$ -

COVER

SOUTHERN PACIFIC RAIL
CORPORATION THRIFT PLAN

Financial Statements (Modified Cash Basis) as of and
for the Years Ended December 31, 1997 and 1996,
Supplementary Schedule (Modified Cash Basis)
for the Year Ended December 31, 1997
and Independent Auditors' Report
SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN

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Additional Supplemental Schedules required by the Employee Retirement Income Security Act of 1974 are disclosed separately in Master Trust reports filed with the Department of Labor or are omitted because of the absence of the conditions under which they are required.

INDEPENDENT AUDITORS' REPORT

The Thrift Plan Committee
Southern Pacific Rail Corporation Thrift Plan

We have audited the accompanying statement of net assets available for benefits (modified cash basis) of Southern Pacific Rail Corporation Thrift Plan (the Plan) as of December 31, 1997, and the related statement of changes in net assets available for benefits (modified cash basis) for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. The Plan's financial statements as of and for the year ended December 31, 1996, were audited by other auditors whose report, dated June 20, 1997, except as to Note 9, dated October 10, 1997, expressed an unqualified opinion on those statements and included an explanatory paragraph that described the modified cash basis of accounting discussed in Note 2 to the financial statements.

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

As discussed in Note 2 to the financial statements, these financial statements and supplemental schedule were prepared on a modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the 1997 financial statements present fairly, in all material respects, the net assets available for benefits of Southern Pacific Rail Corporation Thrift Plan as of December 31, 1997, and changes in net assets available for benefits for the year then ended, on the basis of accounting described in Note 2.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule (modified cash basis) listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in the audit of the basic 1997 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 1997 financial statements taken as a whole.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 17, 1998

INDEPENDENT AUDITORS' REPORT

The Thrift Plan Committee
Southern Pacific Rail Corporation Thrift Plan:

We have audited the accompanying statement of net assets available for benefits (modified cash basis) of Southern Pacific Rail Corporation Thrift Plan (the Plan) as of December 31, 1996, and the related statement of changes in net assets available for benefits (modified cash basis) for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 2, these financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Southern Pacific Rail Corporation Thrift Plan as of December 31, 1996, and changes in net assets available for benefits for the year then ended, on the basis of accounting described in Note 2.

/s/KPMG Peat Marwick LLP

San Francisco, California
June 20, 1997, except as to Note 9,
which is as of October 10, 1997

SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR
BENEFITS (MODIFIED CASH BASIS)
DECEMBER 31, 1997 AND 1996

	1997	1996
ASSETS		
Investments at fair value (Notes 2, 3 and 10)	\$181,831,117	\$ 69,696,833
Investments at contract value (Note 3)	-	118,576,813
Receivable from broker	-	19,417
Investment income receivable	-	695,265
	-----	-----
Total assets	181,831,117	188,988,328
LIABILITIES		
Unsettled stock sale	-	1,412
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$181,831,117	\$188,986,916
	=====	=====

The accompanying notes are an integral part of these financial statements.

SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 10):		
Interest	\$ 7,580,201	\$ 8,325,983
Dividends	3,191,940	14,673
Net appreciation in fair value of investments (Note 3)	12,656,999	9,741,416
	-----	-----
Total investment income	23,429,140	18,082,072
Contributions (Note 10):		
Employee	4,943,311	6,507,155
Employer	2,184,349	2,816,930
	-----	-----
Total contributions	7,127,660	9,324,085
	-----	-----
Total additions	30,556,800	27,406,157
	=====	=====
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distribution to participants (Note 10)	37,541,145	14,963,502
Investment and administrative expenses	171,454	423,657
	-----	-----
Total deductions	37,712,599	15,387,159
	-----	-----
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	(7,155,799)	12,018,998
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	188,986,916	176,967,918
	-----	-----
End of year	\$181,831,117	\$188,986,916
	=====	=====

The accompanying notes are an integral part of these financial statements.

SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS (MODIFIED CASH BASIS)
YEARS ENDED DECEMBER 31, 1997 AND 1996

1. DESCRIPTION OF PLAN

The following description of the Southern Pacific Rail Corporation Thrift Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan which was established by Rio Grande Holding, Inc. (RGH) on January 1, 1982 as an individual account savings and investment plan for employees of RGH and its subsidiaries (the RGH participants). RGH is a wholly owned subsidiary of Southern Pacific Rail Corporation (SPRC). SPRC adopted the Plan and became its sponsor. SPRC and its subsidiaries that are participating in the Thrift Plan are collectively referred to as the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Employees of participating employers not subject to a collective bargaining agreement and not paid on an hourly basis are immediately eligible to participate in the Plan. In addition, certain employees which are currently covered under collective bargaining agreements who were previously not covered have been allowed to continue participation in the Plan.

Contributions - Plan participants may elect to make employee contributions in an amount not less than 1% nor more than 16% of their salary. These contributions may be made on either an after-tax or a before-tax basis, or a combination of the two, provided the total contribution does not exceed the lesser of 16% of salary or the applicable Internal Revenue Code annual limitation of \$9,500. The employer matches the first 3% of employee contributions (whether before-tax or after-tax) on a dollar-for-dollar basis. All contributions are subject to limitations imposed by the Internal Revenue Code such as those under Sections 401(a)(17), 401(k), 401(m), 402(g) and 415. Effective January 1, 1998, the Plan was amended to disallow any participant contributions after December 31, 1997.

Participant's Accounts - Each participant's account is credited with his or her own contributions, employer contributions and an allocation of the Plan's earnings (or losses) based on the type of investments selected and their performance. The allocation of earnings (or losses) is based on each participant's account balance by investment type.

Vesting - Participant and employer contributions are fully vested when made.

Investment Options - For 1997, upon enrollment in the plan, a participant may direct contributions in 5% increments in any of eight investment options:

Union Pacific Common Stock Fund - Funds are primarily invested in common stock of Union Pacific Corporation.

Union Pacific Equity Index Fund - Funds are primarily invested in shares of a registered investment company that invests in common stocks in a manner designed to closely track the investment performance of the Standard and Poor's 500 Composite Stock Index.

Union Pacific Fixed Income Fund - Funds are primarily invested in guaranteed investment contracts held with insurance companies rated at least A-1 by Standard and Poors. Funds are also invested in a registered investment company that invests in guaranteed investment contracts.

Vanguard/Wellington Fund - Funds are invested in shares of a registered investment company that invests in common stocks and fixed income securities.

Vanguard Money Market Reserves Prime Portfolio (VMMR Prime Portfolio) - Funds are invested in shares of a registered investment company that invests in high quality certificates of deposit, bankers' acceptances, commercial paper, U.S. Government Securities, and other short-term obligations with the objective of preserving principal while providing income.

Vanguard U.S. Growth Fund - Funds are invested in shares of a registered investment company that invests in the common stock of established U.S. growth companies.

Vanguard International Growth Portfolio Fund - Funds are invested in shares of a registered investment company that invests in foreign common stocks with high growth potential.

Vanguard Bond Index Fund - Funds are invested in shares of a registered investment company that invests in fixed income securities in a manner which is designed to closely track the investment performance of the Lehman Brothers Aggregate Bond Index.

For 1996, upon enrollment in the plan, a participant may direct contributions in 1% increments in any of six investment options:

Fixed Investment Fund - Funds are invested in high quality investment contracts with a diversified group of insurance companies, banks and other financial institutions.

Value Equity Fund - Funds are invested in shares of the Invesco Retirement Trust Equity Fund (a trust company commingled fund). The fund primarily invests in common stocks and securities convertible into common stock.

Balanced Fund - Funds are invested in shares of the Invesco Retirement Trust Flex Fund (a trust company commingled fund). The fund contains a mix of stocks and high quality bonds.

International Equity Fund - Funds are invested in the Capital Guardian International (Non-U.S.) Equity Fund (a trust company commingled fund). The fund invests in a portfolio comprised primarily of securities of non-U.S. issuers and securities whose principal markets are outside of the United States.

Stock Fund - Funds are invested in common stock of Union Pacific Corporation.

Growth Equity Fund - Funds are invested in shares of the Invesco Trust Company Common Stock Fund (a trust company commingled fund). The funds consist primarily of small and large capitalization stocks with strong earnings growth.

Resources Stock Fund - In September 1996, the Union Pacific Corporation (UPC) Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group ("Resources") common stock owned by UPC ("the Spin-Off"). As a result of the Spin-Off, each of the UPC's stockholders received 0.846946 of a share of Resources common stock for each share of UPC common stock held by such stockholders at the September 26, 1996 record date for the distribution. The shares were transferred at market value from the UPC Stock Fund to the Resources Stock Fund. Therefore, each Plan participant's account received 0.846946 of a share of Resources common stock for each share of UPC common stock held in the account. The shares received have been placed in the Resources Stock Fund ("Resources Stock"). Future contributions to Resources Stock are not permitted.

Loans to Participants - Effective January 1, 1998, participants are eligible to make a loan from their accounts. The amount of a loan is limited to one-half of the vested value of a participant's accounts and subject to a minimum and maximum loan amount. As the loan is repaid, all principal and interest payments will be credited to the participant's account according to an investment election made by the participant at the time of the loan application. Participants' loans, which are secured by the participant's individual account balances, bear a fixed rate of interest set by the Plan Administrator based on interest rates then being charged on similar loans, and are repayable over periods not exceeding five years, except loans relating to a principal residence, in which case the term of the loan shall not exceed fifteen years.

Payment of Benefits - Benefits are payable to a participant upon retirement, disability, death or termination of employment. Subject to certain hardship rules and limits, a participant may also withdraw employer and employee contributions under other circumstances. The benefit to which a participant is entitled is the benefit that can be provided from that participant's account net of any withholding for federal income taxes. Benefits are recorded when paid.

Plan Administration - The Plan is administered by the Senior Vice President, Human Resources of the Union Pacific Corporation. In 1997 and 1996, respectively, the Plan paid investment management fees of \$163,617 and \$418,047. Administration expenses paid totaled \$7,837 and \$5,610 for 1997 and 1996, respectively. The majority of administrative expenses in both 1997 and 1996 were paid by the Company. Investment management fees at Vanguard are paid directly from fund earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accounts of the Plan are maintained, and the accompanying financial statements and information have been prepared, on the modified cash basis to carry investments at fair value, and to reflect the accrual of investment income and brokerage transactions. Consequently, revenues and related assets are recognized when received rather than when earned except for investment carrying value, investment income and brokerage transactions and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statements are not intended to present net assets available for benefits and changes in net assets available for benefits in accordance with generally accepted accounting principles.

Use of Estimates - The preparation of financial statements 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.

Investment Valuation and Income Recognition - Investments in the Union Pacific Common Stock Fund, Resources Stock Fund, Vanguard Wellington Fund, Union Pacific Equity Index Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Portfolio Fund, and the Vanguard Bond Index Fund are valued at fair value as determined by quoted market prices. Investments in the Fixed Income Fund and the Vanguard Money Market Reserves - Prime Portfolio are valued at fair value as determined by Vanguard Fiduciary Trust Company. Dividend income is recorded as of the ex-dividend date. Security transactions are recorded as of the trade date.

3. INVESTMENTS

The following table presents the fair value of investments:

	December 31,	
	1997	1996
Investments at Fair Value as Determined by Quoted Market Price:		
Master trust	\$ 79,300,412	\$ -
Common stock	-	2,707,119
Commingled funds	-	62,546,639
	-----	-----
	79,300,412	65,253,758
	-----	-----
Investments at Estimated Fair Value:		
Master trust	102,530,705	-
Short-term investments	-	4,443,075
	-----	-----
	102,530,705	4,443,075
	-----	-----
Investments at Contract Value:		
Fixed income annuity contracts	-	118,576,813
	-----	-----
	\$181,831,117	\$188,273,646
	=====	=====

During 1997 and 1996, the Plan's investments (including bought, sold and held during the year) appreciated (depreciated) in value by \$12,656,999 and \$9,741,416, respectively, as follows:

	Year Ended December 31,	
	1997	1996
Net Change in Fair Value		
Investments at Fair Value as Determined by Quoted Market Price:		
Master trust	\$ 5,345,207	\$ -
Commingled funds	6,964,859	9,045,927
Common stock	420,977	695,489
	-----	-----
	12,731,043	9,741,416
	-----	-----
Investments at Estimated Fair Value:		
Master trust	(74,044)	-
	-----	-----
Net change in fair value	\$12,656,999	\$9,741,416
	=====	=====

4. MASTER TRUST

The assets comprising the Master Trust are presented in the following table:

	December 31, 1997
Common Stock	\$180,366,490
Mutual Funds	449,880,397
Guaranteed Investment Contracts	201,246,115
Participant Loans	18,826,627

	\$850,319,629
	=====

Total interest and dividends of the Master Trust was \$42,436,033 for the year ended December 31, 1997. During 1997, the Master Trust's investments (including investments bought, sold, and held during the year) appreciated in value by \$51,517,049 as follows:

	December 31, 1997
Net appreciation (depreciation)	
Common Stocks	\$(2,627,738)
Mutual Funds	54,009,125
Guaranteed Investment Contracts	135,662

Net change in fair value	\$51,517,049
	=====

At December 31, 1997, the Plan held a percentage interest in the Master Trust of 21.4%. The Plan held no interest during 1996. Assets, liabilities, investment income, and security gains and losses are allocated monthly to the Plan based on its equity in the investments of the Master Trust.

5. PLAN AMENDMENTS

On August 15, 1997, the Plan was amended to expand and clarify specific aspects of the plan document. This amendment did not significantly alter the underlying policies of the Plan. The amendment allows participants with account balances as of December 31, 1989 to make monthly, quarterly, or annual installment distributions (which need not be equal in amount) over a period of not more than 25 years. All other participants are allowed to receive equal monthly or annual installment distributions over the lesser of ten years or their life expectancy or the life expectancy of the participant and his/her beneficiary.

The August 15, 1997 amendments also included an amendment effective March 31, 1997, permitting employees who continued to work with Pacific Motor Transport Company after its sale, to take distribution in a lump sum on or before December 31, 1999.

Effective January 1, 1998, the Plan was amended to disallow any participant contributions after December 31, 1997. Also effective January 1, 1998, the Plan was amended to allow participants to make loans from their accounts in an amount not to exceed the lesser of 50% of their balance or \$50,000.

6. TAX STATUS

The Plan received a favorable determination letter from the Internal Revenue Service on February 8, 1996 which stated that the Plan is qualified under the provisions of Sections 401(a) of the Internal Revenue Code, as amended, and exempt from federal income taxes under Section 501(a). The Plan has been amended since receiving the determination letter. However, Plan management believes that the Plan is being operated in compliance with the applicable requirements of the Internal Revenue Code. With respect to the operation of the Plan, Plan management is aware of certain operational defects which could adversely affect the tax-exempt status of the Plan. These operational defects will be corrected through the use of the Voluntary Compliance Resolution (VCR) program. Submission of the VCR program was made on December 16, 1996. Therefore, no provision for income taxes has been included in the Plan's financial statements.

7. MERGER WITH UNION PACIFIC

On September 11, 1996, a subsidiary of Union Pacific Corporation (UPC) completed its acquisition of SPRC through an exchange of cash and UPC stock for all of the outstanding shares of SPRC not already owned by UPC. As a result, SPRC shares owned by the Plan were exchanged for a combination of cash and UPC stock. The 90,162 shares owned by the Plan were converted into 25,601 shares of UPC stock and \$679,525 of cash was transferred to the Fixed Investment Fund. Also, the Plan was amended to permit Plan participants to invest in UPC stock to replace the previous option to invest in SPRC stock.

8. PLAN TERMINATION

Although the Plan is intended to be continued by the Southern Pacific Rail Corporation (the Corporation), the Corporation reserves the right to amend or terminate the Plan. All funds shall continue to be held for distribution as provided in the Plan.

9. NONEXEMPT TRANSACTION

Subsequent to December 31, 1996, the Plan sponsor discovered that during 1996 it had failed to transmit one participant's contribution as soon as reasonably segregable. As of October 10, 1997, the participant's contribution in the amount of \$48 has been restored, and the Plan sponsor has made an additional contribution to the Plan for earnings on the delayed contribution.

10. FUND INFORMATION

Investments, investment income, contributions and distributions to participants by fund are as follows for the years ended December 31, 1997 and 1996:

	1997	1996
Investments:		
Fixed Investment Fund	\$ -	\$123,019,888
Value Equity Fund	-	34,779,427
Balanced Fund	-	16,683,492
International Equity Fund	-	3,588,080
Growth Equity Fund	-	7,495,640
Union Pacific Common Stock Fund	3,649,129	2,078,775
Union Pacific Equity Index Fund	39,246,723	-
Union Pacific Fixed Income Fund	102,175,722	-
Resources Stock Fund	419,853	628,344
Vanguard/Wellington Fund	21,254,363	-
VMMR Prime Portfolio	354,983	-
Vanguard U.S. Growth Fund	11,225,160	-
Vanguard International Growth Portfolio Fund	3,451,628	-
Vanguard Bond Index Fund	53,556	-
	-----	-----
	\$181,831,117	\$188,273,646
	=====	=====
Investment income:		
Fixed Investment Fund	\$ 3,278,325	\$ 8,325,983
Value Equity Fund	4,335,308	5,705,655
Balanced Fund	1,574,122	2,011,292
International Equity Fund	476,979	385,150
Growth Equity Fund	578,511	943,830
Union Pacific Common Stock Fund	244,840	701,234
Union Pacific Equity Index Fund	5,548,473	-
Union Pacific Fixed Income Fund	4,321,507	-
Resources Stock Fund	(92,375)	8,928
Vanguard/Wellington Fund	2,409,685	-
VMMR Prime Portfolio	9,310	-
Vanguard U.S. Growth Fund	976,303	-
Vanguard International Growth Portfolio Fund	(232,310)	-
Vanguard Bond Index Fund	462	-
	-----	-----
	\$ 23,429,140	\$ 18,082,072
	=====	=====

	1997	1996
Contributions:		
Fixed Investment Fund	\$ 1,605,842	\$ 5,148,402
Value Equity Fund	698,345	2,105,276
Balanced Fund	378,395	1,083,166
International Equity Fund	99,409	307,963
Growth Equity Fund	230,976	545,057
Union Pacific Common Stock Fund	205,142	134,221
Union Pacific Equity Index Fund	919,990	-
Union Pacific Fixed Income Fund	1,886,218	-
Resources Stock Fund	-	-
Vanguard/Wellington Fund	581,213	-
VMMR Prime Portfolio	692	-
Vanguard U.S. Growth Fund	377,133	-
Vanguard International Growth Portfolio Fund	138,173	-
Vanguard Bond Index Fund	6,132	-
	-----	-----
	\$ 7,127,660	\$ 9,324,085
	=====	=====
Distributions to participants:		
Fixed Investment Fund	\$10,147,734	\$12,255,829
Value Equity Fund	1,831,273	1,731,128
Balanced Fund	1,211,753	644,223
International Equity Fund	277,421	67,148
Growth Equity Fund	293,790	212,473
Union Pacific Common Stock Fund	2,760,222	52,701
Union Pacific Equity Index Fund	3,211,686	-
Union Pacific Fixed Income Fund	13,261,296	-
Resources Stock Fund	108,886	-
Vanguard/Wellington Fund	2,038,630	-
VMMR Prime Portfolio	357,698	-
Vanguard U.S. Growth Fund	1,590,503	-
Vanguard International Growth Portfolio Fund	450,253	-
Vanguard Bond Index Fund	-	-
	-----	-----
	\$37,541,145	\$14,963,502
	=====	=====

RELATED PARTY TRANSACTION

As of May 30, 1997, the Plan invests in various funds managed by Vanguard Fiduciary Trust Company. Vanguard Fiduciary Trust Company is the trustee as defined by the Plan and, therefore, the related transactions qualify as party-in-interest. Prior to May 30, 1997, certain Plan investments were shares of temporary investment funds managed by Chase Manhattan Bank. Chase Manhattan Bank was the trustee as defined by the Plan, and qualifies as

a party-in-interest. Investment and administrative expenses paid to Chase Manhattan Bank by the Plan amounted to \$-0- and \$4,500 for the year ended December 31, 1997 and 1996, respectively. In addition, as of September 11, 1996 (the merger date) the Plan held stock issued by Union Pacific Corporation. Prior to the merger, the Plan held stock issued by the Plan sponsor, Southern Pacific Rail Corporation (Note 7).

SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN

Item 27(d) - SCHEDULE OF REPORTABLE TRANSACTIONS
(MODIFIED CASH BASIS)
YEAR ENDED DECEMBER 31, 1997

Single Transactions Involving an Amount in
Excess of 5% of the Current Value of Program Assets:

None

Series of Transactions, When Aggregated, Involving an
Amount in Excess of 5% of the Current Value of Plan Assets:

Column A	Column B	Column C	Column D	Column E	Column F	Column G
Identity of Party Involved	Description of Asset	Number of Purchases	Number of Sales	Total Dollar Value of Purchases	Total Dollar Value of Sales	Net Gain or (Loss)
Chase Bank*	Domestic Liquity Fund	72	60	\$26,790,548	\$31,240,457	\$ -
Invesco	Institutional Service Trust Equity Fund	11	22	813,930	39,947,693	15,666,131
Invesco	Institutional Service Trust Flex Fund	11	19	904,253	19,161,851	5,472,798
Invesco	Common Stock Fund	13	19	1,359,262	9,433,763	1,883,802

* Represents a party-in-interest.

COVER

SKYWAY RETIREMENT SAVINGS PLAN

Financial Statements for the Years Ended December 31,
1997 and 1996, Supplemental Schedules as of and for
the Year Ended December 31, 1997
and Independent Auditors' Report

INDEX

SKYWAY RETIREMENT SAVINGS PLAN

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INDEPENDENT AUDITORS' REPORT

The Administrative Committee of the
Skyway Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Skyway Retirement Savings Plan (the Plan) as of December 31, 1997 and 1996, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1997 and 1996, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment as of December 31, 1997 and reportable Plan transactions for the year ended December 31, 1997 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan's management. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic 1997 financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP

San Jose, California
June 25, 1998

SKYWAY RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997 AND 1996

ASSETS	1997	1996
INVESTMENTS:		
Vanguard Windsor II - at fair value	\$ 3,199,466	\$2,103,245
Vanguard Investment Contract Trust - at contract value	1,292,825	1,136,733
Vanguard Index Trust 500 Portfolio - at fair value	2,371,655	1,447,980
Vanguard International Growth Portfolio - at fair value	1,288,154	1,144,940
Union Pacific Company Stock Fund - at fair value	986,225	848,248
Union Pacific Resource Group Stock Fund - at fair value	216,834	320,474
Vanguard Total Bond Market Fund - at fair value	770,236	644,483
Participant loans - at fair value	560,754	410,528
	-----	-----
Total investments	10,686,149	8,056,631
CONTRIBUTIONS RECEIVABLE	90,246	71,519
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$10,776,395</u>	<u>\$8,128,150</u>
	=====	=====

See notes to financial statements.

SKYWAY RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
CONTRIBUTIONS:		
Employee	\$ 1,528,914	\$1,509,826
Employer matching	405,251	326,023
Less forfeited employer matching funds	(71,713)	(65,194)
	-----	-----
Total contributions	1,862,452	1,770,655
	-----	-----
INVESTMENT INCOME:		
Interest and dividends	573,506	383,480
Net appreciation in fair value of investments	889,659	765,142
	-----	-----
Total investment income	1,463,165	1,148,622
	-----	-----
BENEFIT PAYMENTS	(677,372)	(944,403)
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	2,648,245	1,974,874
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	8,128,150	6,153,276
	-----	-----
End of year	\$10,776,395	\$8,128,150
	=====	=====

See notes to financial statements.

SKYWAY RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1997 AND 1996

1. DESCRIPTION OF THE PLAN

The following description of the Skyway Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan agreement and amendments for a more complete description of the Plan's provisions.

General - The Plan, established January 1983 by Skyway Freight Systems, Inc. (the Company), is a defined contribution plan covering all full-time employees who have completed one year and 1,000 hours of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Vanguard Fiduciary Trust Company (Vanguard) serves as trustee of the Plan.

Contributions - Participants may elect to make tax deferred contributions of up to 10% of their compensation (subject to certain Internal Revenue Code limitations). Rollover contributions from a participant's former qualified plan or individual retirement account are also allowed.

Employer contributions are determined at the discretion of the Company's Board of Directors. For the years ended December 31, 1997 and 1996, the Company contributed an amount equal to 25% of each participant's contributions, limited to 10% of the individual participant's annual compensation. Forfeited matching contributions revert to the Company and may be used in the following year to reduce the amount the Company must contribute for the matching contribution.

Participant Accounts - Each participant's account is credited with the participant's contributions and an allocation of (a) the Company's contributions and (b) Plan earnings.

Vesting - Participants are immediately vested as to participant contributions and earnings thereon. Vesting in the remainder of their accounts is based on years of continuous employment. Participants are fully vested after seven years of employment, attainment of age 65, or if employment is terminated by disability or death, regardless of years of service. Upon employee termination, all nonvested amounts will be forfeited upon the earlier of (i) the date the employee takes payment of his entire vested account balance or (ii) the date the employee incurs his fifth consecutive break in service.

Spin-Off - During 1996, the Union Pacific Corporation spun off Union Pacific Resource Group. Each Plan participant's account received 0.846946 shares of Union Pacific Resource Group common stock for each share of Union Pacific common stock held in the account. Participants are not allowed to make additional purchases of Union Pacific Resource Group common stock.

Investment Options - Participants may direct the investment of their accounts in any of the following seven investment options:

Vanguard Windsor II - Funds are invested with a growth and income objective in common stocks.

Vanguard Investment Contract Trust - Funds are invested in contracts issued by insurance companies and banks, and in similar types of fixed income investments.

Vanguard Index Trust 500 Portfolio - Funds are invested in all of the stocks included in the Standard & Poor's 500 Index.

Vanguard International Growth Portfolio - Funds are invested in potential growth companies based outside of the United States.

Union Pacific Company Stock Fund - Funds are invested in common stock of Union Pacific Corporation.

Vanguard Total Bond Market Fund - Funds are invested in corporate bonds.

Investment decisions may be changed on a daily basis.

Payment of Benefits - On termination of employment a participant may elect to receive the benefit in one of the following forms: (1) a lump-sum amount equal to the value of the vested portion of the participant's account; (2) installments, payable at least annually over a period of years not to exceed the life expectancy of the participant and his beneficiary; (3) a nontransferable annuity contract providing for a monthly guaranteed income for a specified number of years; or (4) a combination of the above.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

Payment of Benefits - Benefits are recorded when paid.

Investments are stated at fair value as determined by quoted market prices except for the Vanguard Investment Contract Trust, which is stated at contract value, and participant loans, which are stated at fair value.

Administrative expenses of the Plan are paid by the Company.

3. PARTICIPANT LOANS

The Plan permits participants to borrow against the lesser of 50% of the vested portion of their account balance, or 100% of their before-tax contribution and rollover amounts, to a maximum of \$50,000. The loans bear interest at prime rate (8.5% at December 31, 1997) plus 1% and are payable over a maximum five-year period. Loan repayment generally is made through payroll deductions.

4. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants immediately become fully vested.

5. ASSETS OF TERMINATED EMPLOYEES

At December 31, 1997 and 1996, approximately \$25,000 and \$24,000, respectively, of vested Plan assets were payable to terminated employees who have withdrawn from participation in the Plan.

6. INCOME TAX STATUS

A favorable determination letter has been received from the Internal Revenue Service as to the qualified status of the Plan as amended through December 15, 1994. Therefore, management believes the Plan was qualified and tax-exempt as of and for the years ended December 31, 1997 and 1996. Accordingly, no provision for federal or state income taxes has been made.

7. INVESTMENT CONTRACT ACCOUNTS

The Plan maintains contract accounts with Vanguard Group, Incorporated in its Investment Contract Account.

The Plan's investment contract accounts are fully benefit responsive and therefore have been presented in the financial statements at contract value. The fair value of the Plan's investment contract accounts approximate the contract value at December 31, 1997.

The average yield on investment contract accounts for the year ended December 31, 1997 and 1996 was 6.17% and 6.07%, respectively. The average crediting interest rates for the respective years were 6.08% and 6.00%.

8. SUPPLEMENTAL FUND INFORMATION

Contributions, benefit payments and investment income by fund for the years ended December 31, 1997 and 1996 are as follows:

	1997	1996
Contributions:		
Employee contributions:		
Vanguard Windsor II	\$ 416,624	\$ 351,478
Vanguard Investment Contract Trust	164,261	212,402
Vanguard Index Trust 500 Portfolio	354,527	318,753
Vanguard International Growth Portfolio	241,529	251,915
Union Pacific Company Stock Fund	223,660	233,849
Union Pacific Resource Group Stock Fund	-	-
Vanguard Total Bond Market Fund	128,313	141,429
	-----	-----
	\$1,528,914	\$1,509,826
	=====	=====

Employer matching contributions (net of forfeitures):

Vanguard Windsor II	\$ 88,860	\$ 82,560
Vanguard Investment Contract Trust	35,041	(43,293)
Vanguard Index Trust 500 Portfolio	76,191	71,051
Vanguard International Growth Portfolio	50,687	61,064
Union Pacific Company Stock Fund	48,846	54,851
Union Pacific Resource Group Stock Fund	-	-
Vanguard Total Bond Market Fund	33,913	34,596
	-----	-----
	\$ 333,538	\$ 260,829
	=====	=====

1997	1996
------	------

Benefit payments:

Vanguard Windsor II	\$164,045	\$171,898
Vanguard Investment Contract Trust	101,144	204,618
Vanguard Index Trust 500 Portfolio	98,429	166,416
Vanguard International Growth Portfolio	117,718	146,338
Union Pacific Company Stock Fund	67,365	132,546
Union Pacific Resource Group Stock Fund	18,317	10,528
Vanguard Total Bond Market Fund	38,191	62,011
Participant loans	72,163	50,048
	-----	-----
	\$677,372	\$944,403
	=====	=====

Investment income:

Vanguard Windsor II	\$ 730,620	\$ 371,776
Vanguard Investment Contract Trust	74,656	71,316
Vanguard Index Trust 500 Portfolio	517,321	243,011
Vanguard International Growth Portfolio	35,364	136,962
Union Pacific Company Stock Fund	59,430	194,511
Union Pacific Resource Group Stock Fund	(51,691)	82,864
Vanguard Total Bond Market Fund	64,180	23,098
Participant loans	33,285	25,084
	-----	-----
	\$1,463,165	\$1,148,622
	=====	=====

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SKYWAY RETIREMENT SAVINGS PLAN

ITEM 27a - SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENT
PURPOSES
DECEMBER 31, 1997

	Number of Units	Cost	Fair Value
Vanguard Windsor II Vanguard Investment Contract Trust	111,791	\$2,500,143	\$ 3,199,466
Vanguard Index Trust 500 Portfolio	1,292,825	1,292,825	1,292,825
Vanguard International Growth Portfolio	26,331	1,632,667	2,371,655
Union Pacific Company Stock Fund 1	78,594	1,217,581	1,288,154
Union Pacific Resource Group Stock Fund 1	96,311	763,247	986,225
Vanguard Total Bond Market Fund	24,923	210,353	216,834
Participant loans 2	76,337	744,609	770,236
	-	560,754	560,754
		-----	-----
		\$8,922,179	\$10,686,149
		=====	=====

1 Represents a party-in-interest.

2 Consists of 149 individual loans with interest at prime plus 1% and terms ranging from one to five years.

SKYWAY RETIREMENT SAVINGS PLAN

ITEM 27d - SUPPLEMENTAL SCHEDULE OF REPORTABLE PLAN TRANSACTIONS*
YEAR ENDED DECEMBER 31, 1997

Description of Investment	Cost	Proceeds	Gain
SERIES OF TRANSACTIONS			
ACQUISITIONS:			
Vanguard Windsor II (72 transactions)	\$1,072,198		
Vanguard Investment Contract Trust (110 transactions)	597,037		
Vanguard Index Trust 500 Portfolio (84 transactions)	711,511		
Vanguard International Growth Portfolio (64 transactions)	468,911		
DISPOSITIONS:			
Vanguard Investment Contract Trust (110 transactions)	\$ 440,945	\$440,939	\$ 6
Vanguard Windsor II (82 transactions)	322,682	415,317	92,635

* Reportable Plan transactions are defined as transactions that exceed 5% of the fair market value of Plan assets at the beginning of the year.