

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, 1998

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.
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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 26, 1999 the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was approximately \$10,973,121,951.

The number of shares outstanding of the registrant's Common Stock as of February 26, 1999 was 247,579,048.

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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, 1998 (Parts I, II and IV); and (2) registrant's definitive Proxy Statement for the annual meeting of stockholders to be held on April 16, 1999 (Part III).

The undersigned Registrant hereby amends its Annual Report on Form 10-K for the fiscal year ended December 31, 1998 to include the following exhibits:

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

Exhibit Number	Exhibit
(23) (a)	Independent Auditors' Consent
(23) (b)	Independent Auditors' Consent
(23) (c)	Independent Auditors' Consent
(23) (d)	Independent Auditors' Consent
(23) (e)	Independent Auditors' Consent
(99) (a)	Financial Statements for the Fiscal Year ended December 31, 1998 required by Form 11-K for the Union Pacific Corporation Thrift Plan.
(99) (b)	Financial Statements for the Fiscal Year ended December 31,

1998 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,
1998 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,
1998 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,
1998 required by Form 11-K for the Southern Pacific Rail
Corporation Thrift 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 25, 1999

UNION PACIFIC CORPORATION
(Registrant)

/s/ James R. Young

James R. Young
Senior Vice President - Finance
and Controller

EXHIBIT INDEX

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(99) (a)	Financial Statements for the Fiscal Year ended December 31, 1998 required by Form 11-K for the Union Pacific Corporation Thrift Plan.
(99) (b)	Financial Statements for the Fiscal Year ended December 31, 1998 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, 1998 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, 1998 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, 1998 required by Form 11-K for the Southern Pacific Rail Corporation Thrift Plan.

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 May 17, 1999 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, 1998.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 24, 1999

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 May 17, 1999, 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, 1998.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 24, 1999

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 May 17, 1999, 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, 1998.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 24, 1999

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 May 17, 1999, 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, 1998.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 24, 1999

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 May 17, 1999, 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, 1998.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 24, 1999

COVER

Exhibit 99 (a)

UNION PACIFIC CORPORATION
THRIFT PLAN

Financial Statements as of and for the
Years Ended December 31, 1998 and 1997
and Independent Auditors' Report

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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 or are omitted because of the absence of the conditions under which they are required.

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, 1998 and 1997, 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, 1998 and 1997, 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
May 17, 1999

UNION PACIFIC CORPORATION THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1998 AND 1997

	1998	1997
ASSETS		
Investments at fair value (Notes 2, 3, 4 and 8)	\$580,390,234	\$543,971,178
Contributions receivable	1,653,698 -----	- -----
Net assets available for benefits	\$582,043,932 =====	\$543,971,178 =====

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
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997

ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Notes 4 and 8):		
Net appreciation (depreciation) in fair value of investments (Note 3)	\$ (6,666,601)	\$ 35,614,899
Interest	8,000,055	7,646,150
Dividends	15,183,981	13,524,500
	-----	-----
Total investment income	16,517,435	56,785,549
	-----	-----
Contributions (Note 8):		
Employee	33,646,017	23,914,435
Employer	10,381,157	7,984,945
	-----	-----
Total contributions	44,027,174	31,899,380
	-----	-----
Total additions	60,544,609	88,684,929
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants (Note 8)	22,471,855	20,891,071
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	38,072,754	67,793,858
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	543,971,178	476,177,320
	-----	-----
End of year	\$582,043,932	\$543,971,178
	=====	=====

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

UNION PACIFIC CORPORATION THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1998 AND 1997

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.

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 Union Pacific Corporate's Res (Excl Divs) (formerly Resources Stock Fund).

Future contributions to Resources Stock are not permitted.

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.

Loans to Participants - In June 1985, the loan provisions of the Plan were approved by the Internal Revenue Service (IRS) 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, 1998 and 1997, was 1,643 and 1,669, respectively.

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

Vesting - Participants at all times have a 100% vested interest in their voluntary contributions plus actual earnings thereon and their PAYSOP account. Participants who are employees on or after October 1, 1997, 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 contributions in any of eight funds in multiples of 1% effective August 1, 1998 (see Note 5).

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

Union Pacific Equity Fund - Funds are 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 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 Prime Money Market Fund - 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 Fund - Funds are invested in shares of a registered investment company that invests in foreign common stocks with high growth potential.

Vanguard Total Bond Market Index Fund - Funds are invested in shares of a registered investment company that invests in fixed income securities in a manner that 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 \$5,000 effective January 1, 1998, 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.

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

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.

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 Common Stock Fund, Common PAYSOP Stock Fund, Union Pacific Corporate's Res Fund (Excl Divs) (formerly Resources Stock Fund), Vanguard Wellington Fund, Union Pacific Equity Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Fund, and the Vanguard Total Bond Market Index Fund are valued at fair value as determined by quoted market prices. Investments in the Union Pacific Fixed Income Fund and the Vanguard Prime Money Market Fund 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.

Reclassifications - Certain 1997 amounts have been reclassified to conform to the 1998 financial statement presentation.

3. INVESTMENTS

The following table presents the fair value of investments:

	December 31,	
	----- 1998	1997
Investments at Fair Value as Determined by Quoted Market Price:		
Master Trust	\$469,369,086	\$427,018,286
Investments at Estimated Fair Value:		
Master Trust	111,021,148 -----	116,952,892 -----
Total Investments at Fair Value	\$580,390,234 =====	\$543,971,178 =====

During 1998 and 1997, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by \$(6,666,601) and \$35,614,899, respectively, as follows:

	Year Ended December 31,	
	1998	1997
Net Change in Fair Value		
Investments at Fair Value as Determined by Quoted Market Price:		
Master Trust	\$(6,596,076)	\$35,412,643
Investments at Estimated Fair Value:		
Master Trust	(70,525)	202,256
Net change in fair value	\$(6,666,601)	\$35,614,899

4. MASTER TRUST

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

	December 31,	
	1998	1997
Investments at Fair Value as Determined by Quoted Market Price:		
Common Stock	\$180,799,876	\$180,366,490
Mutual Funds	502,653,251	445,408,000
	683,453,127	625,774,490
Investments at Estimated Fair Value:		
Mutual Funds	4,705,410	4,472,397
Guaranteed Investment Contracts	186,741,644	201,246,115
Participant Loans	20,156,166	18,826,627
	211,603,220	224,545,139
	\$895,056,347	\$850,319,629

Total interest and dividends of the Master Trust were \$38,830,582 and \$42,436,033 for the years ended December 31, 1998 and 1997, respectively. During 1998 and 1997, the Master Trust's investments (including investments bought, sold, and held during the year) appreciated in value by \$45,660,314 and \$51,517,049, respectively, as follows:

	Year Ended December 31,	
	1998	1997
Net appreciation (depreciation) in fair value		
Common Stocks	\$(24,017,989)	\$(2,627,738)
Mutual Funds	69,817,674	54,009,125
Guaranteed Investment Contracts	(139,371)	135,662
Net change in fair value	\$ 45,660,314	\$51,517,049

At December 31, 1998 and 1997, the Plan held percentage interests in the Master Trust of 65% and 64%, 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 for persons employed on or after October 1, 1997, 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.

Effective August 1, 1998, the Plan was amended to provide that any participant may direct employee contributions in any of the eight funds in multiples of 1%.

6. TAX STATUS

The Plan has received a favorable letter of determination from the IRS 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, and exempt from Federal income taxes under Section 501(a). The Plan has been amended since receiving the determination letter. 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. A compliance letter dated August 18, 1998 was received from the IRS with respect to the filings described in the preceding sentence and corrections have been substantially completed. An additional submission to the VCR program was made on April 12, 1999.

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. Additionally, no provision for income taxes has been included in the Plan's financial statements.

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 full or partial Plan 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, 1998 and 1997:

	1998	1997
Investments at Fair Value:		
Union Pacific Common Stock Fund*	\$144,071,218	\$128,656,477
Union Pacific Equity Fund*	159,314,102	131,314,520
Union Pacific Fixed Income Fund*	91,063,544	96,389,389
Common Stock/PAYSOP	7,604,325	10,656,764
Union Pacific Corporate's Res (Excl Divs)	11,523,775	35,830,871
Vanguard Wellington Fund*	47,927,459	42,043,138
Vanguard Prime Money Market Fund	3,389,454	3,492,575
Vanguard U.S. Growth Fund*	65,066,468	43,820,474
Vanguard International Growth Fund	26,292,017	27,712,992
Vanguard Total Bond Market Index Fund	7,569,722	6,983,050
Loan Fund	16,568,150	17,070,928
	-----	-----
	\$580,390,234	\$543,971,178
	=====	=====
Investment Income:		
Union Pacific Common Stock Fund	\$(32,161,197)	\$ 9,264,845
Union Pacific Equity Fund	36,457,014	31,180,397
Union Pacific Fixed Income Fund	5,905,432	6,130,541
Common Stock/PAYSOP	(2,768,396)	678,780
Union Pacific Corporate's Res (Excl Divs)	(19,953,401)	(7,968,006)
Vanguard Wellington Fund	5,041,112	7,315,343
Vanguard Prime Money Market Fund	162,139	108,375
Vanguard U.S. Growth Fund	17,804,497	7,475,898
Vanguard International Growth Fund	4,049,367	861,077
Vanguard Total Bond Market Index Fund	585,404	409,489
Loan Fund	1,395,464	1,328,810
	-----	-----
	\$ 16,517,435	\$ 56,785,549
	=====	=====

* Represents more than 5% of the net assets available for benefits at December 31, 1998.

8. FUND INFORMATION (continued)

	1998	1997
Contributions:		
Union Pacific Common Stock Fund	\$12,592,533	\$9,407,739
Union Pacific Equity Fund	8,864,595	6,430,945
Union Pacific Fixed Income Fund	5,730,877	4,654,539
Common Stock/PAYSOP	(13,290)	556
Union Pacific Corporate's Res (Excl Divs)	35	-
Vanguard Wellington Fund	5,902,334	4,113,748
Vanguard Prime Money Market Fund	507,186	196,243
Vanguard U.S. Growth Fund	6,812,057	3,971,560
Vanguard International Growth Fund	2,639,994	2,566,488
Vanguard Total Bond Market Index Fund	984,723	557,861
Loan Fund	6,130	(299)
	-----	-----
	\$44,027,174	\$31,899,380
	=====	=====
Distributions to Participants:		
Union Pacific Common Stock Fund	\$ 3,433,143	\$ 4,987,529
Union Pacific Equity Fund	4,757,240	4,107,006
Union Pacific Fixed Income Fund	5,282,564	5,151,165
Common Stock/PAYSOP	270,754	401,071
Union Pacific Corporate's Res (Excl Divs)	828,191	1,592,926
Vanguard Wellington Fund	1,743,280	1,412,963
Vanguard Prime Money Market Fund	366,308	157,009
Vanguard U.S. Growth Fund	2,224,195	1,959,187
Vanguard International Growth Fund	1,769,815	650,038
Vanguard Total Bond Market Index Fund	1,473,475	53,352
Loan Fund	322,890	418,825
	-----	-----
	\$22,471,855	\$20,891,071
	=====	=====

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

9. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Common Stock Fund which is invested 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, 1998 and 1997,
Supplemental Schedules as of and for the
Year Ended December 31, 1998
and Independent Auditors' Report

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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 by the Employee Retirement Income Security Act of 1974.

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, 1998 and 1997, 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, 1998 and 1997, 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 1998 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
May 17, 1999

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1998 AND 1997

	1998	1997
ASSETS:		
Investments at fair value (Note 3)	\$ 685,414 -----	\$ 481,248 -----
Net assets available for benefits	\$ 685,414 =====	\$ 481,248 =====

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, 1998 AND 1997

	1998	1997

ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 6):		
Net appreciation in fair value of investments (Note 3)	\$ 41,769	\$ 54,742
Interest	357	284
Dividends	31,234	19,124
	-----	-----
Total investment income	73,360	74,150
Employee contributions (Note 6)	144,578	107,175
	-----	-----
Total additions	217,938	181,325
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants (Note 6)	13,772	1,864
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	204,166	179,461
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	481,248	301,787
	-----	-----
End of Year	\$685,414	\$481,248
	=====	=====

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, 1998 AND 1997

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.

Spin-Off - In September 1996, Union Pacific Corporation's (the Corporation) Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group Inc. (Resources) common stock owned by the Corporation (the Spin-Off). As a result of the Spin-Off, each of the Corporation's stockholders received 0.846946 of a share of Resources common stock for each share of Corporation 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 Corporation common stock held in the account. The shares received were placed in the Union Pacific Railroad's Res (Excl Divs) (formerly Resources Stock Fund). Future contributions to Union Pacific Railroad's Res (Excl Divs) are not permitted.

Contributions - Participants may contribute 2% to 20% of their compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code. Participants may also contribute 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.

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

Union Pacific Railroad 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 stock fund is divided into fund shares, rather than shares of Corporation 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 500 Index 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 - 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 U.S. Growth Mutual Fund which is comprised of established U.S. growth stocks.

Vanguard International Growth 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 Total Bond Market 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 Prime Money Market Fund - 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.

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. Payout is mandatory for a participant who has reached age 70-1/2 but has not terminated employment.

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.

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 Railroad Stock Fund, Union Pacific Railroad's Res (Excl Divs) (formerly Resources Stock Fund), Vanguard Wellington Fund, Vanguard 500 Index Fund, Vanguard Prime Money Market Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Fund, and the Vanguard Total Bond Market Index Fund are valued at fair value as determined by quoted market prices. The investments in the Vanguard Retirement Savings Trust 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.

Reclassifications - Certain 1997 amounts have been reclassified to conform to 1998 financial statement presentation.

3. INVESTMENTS

The following table presents the fair value of investments. Investments that represent 5% or more of the Plan's net assets at December 31, 1998 are separately identified.

	December 31, 1998		December 31, 1997	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value as Determined by Quoted Market Price:				
Union Pacific Railroad Stock Fund	11,689.248	\$ 86,384	7,413.493	\$ 75,914
Vanguard Wellington Fund	6,671.355	195,804	4,801.054	141,391
Vanguard 500 Index Fund	2,774.992	316,210	2,203.328	198,454
Vanguard U.S. Growth Fund	1,415.365	53,062	994.313	28,537
Other	-	27,210	-	31,617
		-----		-----
		678,670		475,913
Investments at Estimated Fair Value:				
Vanguard Retirement Savings Trust	6,744.120	6,744	5,335.320	5,335
		-----		-----
Total Investments at Fair Value		\$685,414		\$481,248
		=====		=====

During 1998 and 1997, the Plan's investments (including investments bought, sold, and held during the year), appreciated in value by \$41,769 and \$54,742, respectively, as follows:

	Years Ended December 31,	
	1998	1997
Net Change in Fair Value		
Investments at Fair Value as Determined by Quoted Market Price:		
Union Pacific Railroad Stock Fund	\$21,608)	\$ 1,145
Union Pacific Railroad's Res (Excl Divs)	(6,104)	(2,690)
Mutual Funds	69,481	56,287
	-----	-----
Net change in fair value	\$41,769	\$54,742
	=====	=====

4. 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. Therefore, no provision for income taxes has been included in the Plan's financial statements.

5. 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.

6. FUND INFORMATION

Investment income, contributions and distributions to participants by fund are as follows for the years ended December 31, 1998 and 1997:

	Years Ended December 31,	
	----- 1998	----- 1997
Investment Income:		
Union Pacific Railroad Stock Fund	\$ (20,432)	\$ 2,936
Union Pacific Railroad's Res (Excl Divs)	(6,021)	(2,610)
Vanguard Wellington Fund	18,970	24,989
Vanguard 500 Index Fund	64,573	43,172
Vanguard Retirement Savings Trust Fund	357	284
Vanguard U.S. Growth Fund	13,602	4,985
Vanguard International Growth Fund	1,600	132
Vanguard Total Bond Market Index Fund	251	148
Vanguard Prime Money Market Fund	460	114
	-----	-----
	\$ 73,360	\$ 74,150
	=====	=====
Contributions:		
Union Pacific Railroad Stock Fund	\$ 32,060	\$ 28,377
Vanguard Wellington Fund	38,968	31,660
Vanguard 500 Index Fund	52,185	34,622
Vanguard Retirement Savings Trust Fund	1,989	1,590
Vanguard U.S. Growth Fund	12,679	6,894
Vanguard International Growth Fund	4,327	2,729
Vanguard Total Bond Market Index Fund	1,824	1,303
Vanguard Prime Money Market Fund	546	-
	-----	-----
	\$144,578	\$107,175
	=====	=====

6. FUND INFORMATION (continued)

	Years Ended December 31,	
	-----	-----
	1998	1997
Distributions to participants:		
Union Pacific Common Stock Fund	\$ 2,354	\$ 350
Resources Stock Fund	606	86
Vanguard/Wellington Fund	3,526	1,428
Vanguard Index Trust - 500 Portfolio Fund	4,924	-
Vanguard Retirement Savings Trust Fund	7	-
Vanguard U.S. Growth Fund	1,756	-
Vanguard International Growth Portfolio Fund	369	-
Vanguard Bond Index Fund	230	-
Vanguard Money Market Reserves - Prime Portfolio	-	-
	-----	-----
	\$13,772	\$1,864
	=====	=====

7. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Railroad 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, 1998

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	Current Cost	Value
Union Pacific Railroad Stock Fund *	11,689.248 units	\$ 94,923	\$ 86,384
Union Pacific Railroad's Res (Excl Divs) *	1,098.777 units	9,393	3,571
Vanguard Wellington Fund *	6,671.355 units	175,382	195,804
Vanguard 500 Index Fund *	2,774.992 units	189,730	316,210
Vanguard Retirement Savings Trust *	6,744.120 units	6,744	6,744
Vanguard U.S. Growth Fund *	1,415.365 units	38,662	53,062
Vanguard International Growth Fund *	715.979 units	12,105	13,439
Vanguard Total Bond Market Index Fund *	397.312 units	3,974	4,080
Vanguard Prime Money Market Fund *	6,120.250 units	6,120	6,120
		----- \$537,033 =====	----- \$685,414 =====

* 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, 1998

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 Railroad Stock Fund	\$ 39,236	\$ -	\$ -	\$ 39,236	\$ -
Vanguard Fiduciary Trust Company*	Vanguard Wellington Fund	\$ 60,114	\$ -	\$ -	\$ 60,114	\$ -
Vanguard Fiduciary Trust Company*	Vanguard 500 Index Fund	\$ 62,663	\$ -	\$ -	\$ 62,663	\$ -

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 Railroad Stock Fund	30	4	\$ 39,237	\$ 7,314	\$ 249
Vanguard Fiduciary Trust Company*	Vanguard Wellington Fund	30	3	\$ 60,978	\$ 4,389	\$ 621
Vanguard Fiduciary Trust Company*	Vanguard 500 Index Fund	29	2	\$ 62,663	\$ 4,924	\$2,241

* 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, 1998 and 1997,
Supplemental Schedules as of and for the
Year Ended December 31, 1998
and Independent Auditors' Report

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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 by the Employee Retirement Income Security Act of 1974.

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, 1998 and 1997, 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, 1998 and 1997, 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 1998 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
May 17, 1999

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1998 AND 1997

	1998	1997
ASSETS:		
Investments at fair value (Note 3)	\$325,391,442	\$143,012,513
Contributions receivable	2,671,590 -----	- -----
Net assets available for benefits	\$328,063,032 =====	\$143,012,513 =====

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, 1998 AND 1997

	1998	1997

ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 7):		
Net appreciation in fair value of investments (Note 3)	\$ 27,018,608	\$ 15,163,982
Interest	637,025	485,016
Dividends	13,973,813	5,149,480
	-----	-----
Total investment income	41,629,446	20,798,478
	-----	-----
Employee contributions (Note 7)	67,803,914	32,360,426
	-----	-----
Total additions	109,433,360	53,158,904
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants (Note 7)	9,816,435	2,866,063
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	99,616,925	50,292,841
PLAN MERGER (Note 9)	85,433,594	-
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	185,050,519	50,292,841
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	143,012,513	92,719,672
	-----	-----
End of Year	\$328,063,032	\$143,012,513
	=====	=====

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, 1998 AND 1997

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.

Spin-Off - In September 1996, Union Pacific Corporation's (the Corporation) Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group Inc. (Resources) common stock owned by the Corporation (the Spin-Off). As a result of the Spin-Off, each of the Corporation's stockholders received 0.846946 of a share of Resources common stock for each share of Corporation 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 Corporation common stock held in the account. The shares received were placed in the Union Pacific Railroad's Res (Excl Divs) (formerly Resources Stock Fund). Future contributions to Union Pacific Railroad's Res (Excl Divs) are not permitted.

Contributions - Participants may contribute 2% to 20% effective January 1, 1998 of their compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code. Participants may also contribute 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.

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

Union Pacific Railroad Stock Fund - This fund is administered as a separate account by Vanguard Fiduciary Trust Company and invests primarily in the common stock of Union Pacific Corporation. It also maintains a small cash position invested in Vanguard Money Market Reserves, to facilitate transactions. The stock fund is divided into fund shares, rather than shares of Corporation common 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 500 Index Fund - This fund consists of investment in the Vanguard 500 Index 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 - 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 U.S. Growth Mutual Fund which is comprised of established U.S. growth stocks.

Vanguard International Growth 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 Total Bond Market 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 Prime Money Market Fund - 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.

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.

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.

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.

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 Railroad Stock Fund, Union Pacific Railroad's Res (Excl Divs) (formerly Resources Stock Fund), Vanguard Wellington Fund, Vanguard 500 Index Fund, Vanguard Prime Money Market Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Fund, and the Vanguard Total Bond Market

Index Fund are valued at fair value as determined by quoted market prices. The investments in the Vanguard Retirement Savings Trust 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.

Reclassifications - Certain 1997 amounts have been reclassified to conform to the 1998 financial statement presentation.

3. INVESTMENTS

The following table presents the fair value of investments. Investments that represent 5% or more of the Plan's net assets at December 31, 1998 are separately identified.

	December 31, 1998		December 31, 1997	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value as Determined by Quoted Market Price:				
Union Pacific Railroad Stock Fund	4,376,670	\$ 32,343,591	1,829,943	\$ 18,738,611
Vanguard Wellington Fund	1,896,159	55,652,276	1,161,554	34,207,780
Vanguard 500 Index Fund	976,843	111,311,286	656,404	59,122,300
Vanguard U.S. Growth Fund	1,799,920	67,479,020	354,210	10,165,824
Vanguard Prime Money Market Fund	21,767,120	21,767,120	750,026	750,026
Other	-	23,170,580	-	11,006,080
		-----		-----
		311,723,873		133,990,621
		-----		-----
Investments at Estimated Fair Value:				
Vanguard Retirement Savings Trust	13,667,569	13,667,569	9,021,892	9,021,892
		-----		-----
Total Investments at Fair Value		\$325,391,442		\$143,012,513
		=====		=====

During 1998 and 1997, the Plan's investments (including investments bought, sold, and held during the year) appreciated in value by \$27,018,608 and \$15,163,982, respectively, as follows:

	Year Ended December 31,	
	1998	1997
Net Change in Fair Value		
Investments at Fair Value as Determined by		
Quoted Market Price:		
Union Pacific Railroad Stock Fund	\$(5,472,307)	\$ 472,292
Union Pacific Railroad's Res (Excl Divs)	(2,101,340)	(834,278)
Mutual Funds	34,592,255	15,525,968
	-----	-----
Net change in fair value	\$27,018,608	\$15,163,982
	=====	=====

4. PLAN AMENDMENTS

Effective January 1, 1998, the Plan was amended to merge the Southern Pacific Savings Plan for the Brotherhood of Locomotive Engineers, United Transportation Union and American Train Dispatchers Department (BLE) into the Plan. (See Note 9)

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 and a compliance statement was received on September 15, 1998. An additional VCR submission was made for the Plan on October 2, 1998. The latter submission is still pending. 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, 1998 and 1997:

	Year Ended December 31,	
	----- 1998	1997
Investment Income:		
Union Pacific Railroad Stock Fund	\$(5,062,141)	\$ 953,676
Union Pacific Railroad's Res (Excl Divs)	(2,072,801)	(809,327)
Vanguard Wellington Fund	5,416,290	5,724,612
Vanguard 500 Index Fund	22,848,014	12,685,750
Vanguard Retirement Savings Trust	637,025	485,016
Vanguard U.S. Growth Fund	16,649,054	1,580,094
Vanguard International Growth Fund	1,668,012	85,261
Vanguard Total Bond Market Index Fund	481,989	81,767
Vanguard Prime Money Market Fund	1,064,004	11,629
	-----	-----
	\$41,629,446	\$20,798,478
	=====	=====
Contributions:		
Union Pacific Railroad Stock Fund	\$ 9,059,655	\$ 5,760,739
Vanguard Wellington Fund	12,701,892	7,080,611
Vanguard 500 Index Fund	21,891,411	10,984,728
Vanguard Retirement Savings Trust	3,579,202	2,027,165
Vanguard U.S. Growth Fund	11,874,516	3,584,223
Vanguard International Growth Fund	3,972,815	2,328,546
Vanguard Total Bond Market Index Fund	1,768,448	523,020
Vanguard Prime Money Market Fund	2,955,975	71,394
	-----	-----
	\$67,803,914	\$32,360,426
	=====	=====

7. FUND INFORMATION (continued)

	Year Ended December 31,	
	-----	-----
Distributions to participants:	1998	1997
Union Pacific Railroad Stock Fund	\$ 804,843	\$ 488,636
Union Pacific Railroad's Res (Excl Divs)	83,683	112,200
Vanguard Wellington Fund	1,569,293	712,206
Vanguard 500 Index Fund	2,619,502	943,177
Vanguard Retirement Savings Trust	437,012	327,250
Vanguard U.S. Growth Fund	1,663,102	143,216
Vanguard International Growth Fund	299,711	108,825
Vanguard Total Bond Market Index Fund	452,131	10,805
Vanguard Prime Money Market Fund	1,887,158	19,748
	-----	-----
	\$9,816,435	\$2,866,063
	=====	=====

8. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Railroad 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.

9. PLAN MERGER

Effective December 31, 1997, the Southern Pacific Savings Plan for the Brotherhood of Locomotive Engineers, United Transportation Union, and American Train Dispatchers Department (BLE) was terminated and merged into the Plan. As a result of this merger, effective January 1, 1998, the trustee of BLE was changed from American Express to Vanguard Fiduciary Trust Company (Vanguard). The assets and obligations at American Express were transferred to Vanguard at the end of January 1998. Through a formal trust agreement between American Express and Vanguard, for the month of January 1998 American Express was a subtrustee of Vanguard as it relates to the BLE. The name of the Plans, as merged, is Union Pacific Agreement Employee 401(k) Retirement Thrift Plan.

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Item 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 1998

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 Railroad Stock Fund *	4,376,670 units	\$ 34,235,078	\$ 32,343,591
Union Pacific Railroad's Res (Excl Divs) *	370,261 units	3,171,592	1,203,349
Vanguard Wellington Fund *	1,896,159 units	51,691,044	55,652,276
Vanguard 500 Index Fund *	976,843 units	74,088,754	111,311,286
Vanguard Retirement Savings Trust *	13,667,569 units	13,667,569	13,667,569
Vanguard U.S. Growth Fund *	1,799,920 units	54,674,808	67,479,020
Vanguard International Growth Fund *	731,588 units	12,481,587	13,731,914
Vanguard Total Bond Market Index Fund *	801,881 units	8,146,075	8,235,317
Vanguard Prime Money Market Fund *	21,767,120 units	21,767,120	21,767,120
		----- \$273,923,627 =====	----- \$325,391,442 =====

* Represents a party-in-interest

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 1998

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 E	Column F	Column G
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 Railroad Stock Fund	\$ 24,790,547	\$ -	\$ -	\$ 24,790,547	\$ -
Vanguard Fiduciary Trust Company *	Vanguard Wellington Fund	\$ 30,914,196	\$ -	\$ -	\$ 30,914,196	\$ -
Vanguard Fiduciary Trust Company *	Vanguard Wellington Fund	\$ -	\$ 8,864,749	\$ 7,938,234	\$ 8,864,749	\$ 926,515
Vanguard Fiduciary Trust Company *	Vanguard 500 Index Fund	\$ 46,806,858	\$ -	\$ -	\$ 46,806,858	\$ -
Vanguard Fiduciary Trust Company *	Vanguard 500 Index Fund	\$ -	\$ 15,858,772	\$ 12,646,589	\$ 15,858,772	\$ 3,212,183
Vanguard Fiduciary Trust Company *	Vanguard Retirement Savings Trust	\$ 10,263,183	\$ -	\$ -	\$ 10,263,183	\$ -
Vanguard Fiduciary Trust Company *	Vanguard U.S. Growth Fund	\$ 55,633,912	\$ -	\$ -	\$ 55,633,912	\$ -
Vanguard Fiduciary Trust Company *	Vanguard U.S. Growth Fund	\$ -	\$ 10,809,063	\$ 9,875,054	\$ 10,809,063	\$ 934,009
Vanguard Fiduciary Trust Company *	Vanguard Total Bond Market Index	\$ 10,998,862	\$ -	\$ -	\$ 10,998,862	\$ -
Vanguard Fiduciary Trust Company *	Vanguard Prime Money Market	\$ 34,855,545	\$ -	\$ -	\$ 34,855,545	\$ -
Vanguard Fiduciary Trust Company *	Vanguard Prime Money Market	\$ -	\$ 13,839,977	\$ 13,839,977	\$ 13,839,977	\$ -

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 Railroad Stock Fund	248	242	\$ 24,827,491	\$ 5,749,063	\$ 34,403
Vanguard Fiduciary Trust Company *	Vanguard Wellington Fund	210	248	\$ 31,039,473	\$ 8,990,025	\$ 958,211
Vanguard Fiduciary Trust Company *	Vanguard 500 Index Fund	242	250	\$ 47,020,419	\$ 16,072,334	\$ 3,301,966
Vanguard Fiduciary Trust Company *	Vanguard Retirement Savings Trust	251	239	\$ 10,285,509	\$ 5,639,836	\$ -
Vanguard Fiduciary Trust Company *	Vanguard U.S. Growth Fund	247	247	\$ 55,685,493	\$ 10,860,643	\$ 948,968
Vanguard Fiduciary Trust Company *	Vanguard International Growth Fund	178	246	\$ 9,912,309	\$ 3,515,414	\$ 147,928
Vanguard Fiduciary Trust Company *	Vanguard Prime Money Market	240	227	\$ 34,891,713	\$ 13,876,145	\$ -
Vanguard Fiduciary Trust Company *	Vanguard Total Bond Market	237	217	\$ 11,025,677	\$ 4,261,325	\$ 7,412

* 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, 1998 and 1997,
Supplemental Schedules as of and for the Year Ended December 31, 1998 and
Independent Auditors' Report

INDEX

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, 1998 and 1997, 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, 1998 and 1997, 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 1998 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
May 17, 1999

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 DECEMBER 31, 1998 AND 1997

	1998	1997
ASSETS		
Investments at fair value (Notes 3, 4, 5 and 9)	\$130,885,937	\$124,517,334
Investments at contract value (Notes 3, 4, 5, 6 and 9):Investment contract with insurance company	26,916,859	32,803,511
	-----	-----
Net assets available for benefits	\$157,802,796	\$157,320,845
	=====	=====

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, 1998 AND 1997

	1998	1997

ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Notes 5 and 9):		
Net appreciation in fair value of		
investments (Note 4)	\$ 5,410,423	\$ 10,609,206
Interest and dividends	9,114,931	15,912,788
	-----	-----
Total additions	14,525,354	26,521,994
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants (Note 9)	14,043,403	8,352,661
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR		
BENEFITS	481,951	18,169,333
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	157,320,845	139,151,512
	-----	-----
End of Year	\$157,802,796	\$157,320,845
	=====	=====

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, 1998 AND 1997

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 3, 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.

Spin-Off - In September 1996, Union Pacific Corporation's (the Corporation) Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group Inc. (Resources) common stock owned by the Corporation (the Spin-Off). As a result of the Spin-Off, each of the Corporation's stockholders received 0.846946 of a share of Resources common stock for each share of Corporation 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 Corporation common stock held in the account. The shares received have been placed in the Union Pacific Corporate's Res (Excl Divs) (formerly the Resources Stock Fund). Future contributions to Union Pacific Corporate's Res (Excl Divs) are not permitted.

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 3).

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

Union Pacific Equity Fund - Funds are 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 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 Prime Money Market Fund - 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 Fund - Funds are invested in shares of a registered investment company that invests in foreign common stocks with high growth potential.

Vanguard Total Bond Market Index Fund - Funds are invested in shares of a registered investment company that invests in fixed income securities in a manner that 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 - 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.

Plan Administration - The Program is administered by the Senior Vice President, Human Resources, of the Corporation. All administrative expenses of the Program, with the exception of investment management fees, are paid by the Corporation. Investment management fees are paid by the Program.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Program have been prepared in conformity 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 - 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 6). If available, quoted market prices are used to value investments. The amounts shown in Note 4 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.

Reclassifications - Certain 1997 amounts have been reclassified to conform to the 1998 financial statement presentation.

3. 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, the Union Pacific Equity Fund, the Union Pacific Fixed Income Fund, the Vanguard Windsor Fund, the Vanguard Wellington Fund, the Vanguard Prime Money Market Fund, the Vanguard U.S. Growth Fund, the Vanguard International Growth Fund, the Vanguard Total Bond Market Index Fund, and the Northwestern National Life Insurance Company (NWNL) Guaranteed Investment Contract (GIC) Fund. 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.

4. INVESTMENTS

The following table presents the fair value of investments:

	December 31,	
	----- 1998	----- 1997
Investments at Fair Value as Determined by		
Quoted Market Price:		
Master Trust	\$122,980,020	\$119,455,791
Investments at Estimated Fair Value:		
Master Trust	7,905,917	5,061,543
NWNL GIC	26,916,859	32,803,511
	-----	-----
Total Investments at Fair Value	\$157,802,796	\$157,320,845
	=====	=====

During 1998 and 1997, the Program's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in value by \$5,410,423 and \$10,609,206, respectively, as follows:

	Year Ended December 31,	
	1998	1997
Net Change in Fair Value		
Investments at Fair Value as Determined by Quoted Market Price:		
Master Trust	\$5,436,369	\$10,601,756
Investments at Estimated Fair Value:		
Master Trust	(25,946)	7,450
Net Change in Fair Value	\$5,410,423	\$10,609,206
	=====	=====

5. MASTER TRUST

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

	December 31,	
	1998	1997
Investments at Fair Value as Determined by Quoted		
Market Price:		
Common Stock	\$180,799,876	\$180,366,490
Mutual Funds	502,653,251	445,408,000
	683,453,127	625,774,490
Investments at Estimated Fair Value:		
Mutual Funds	4,705,410	4,472,397
Guaranteed Investment Contracts	186,741,644	201,246,115
Participant Loans	20,156,166	18,826,627
	211,603,220	224,545,139
	\$895,056,347	\$850,319,629
	=====	=====

Total interest and dividends of the Master Trust were \$38,830,582 and \$42,436,033 for the years ended December 31, 1998 and 1997, respectively. During 1998 and 1997, the Master Trust's investments (including investments bought, sold, and held during the year) appreciated in value by \$45,660,314 and \$51,517,049, respectively, as follows:

	Year Ended December 31,	
	1998	1997
Net appreciation (depreciation) in fair value		
Common Stocks	\$(24,017,989)	\$(2,627,738)
Mutual Funds	69,817,674	54,009,125
Guaranteed Investment Contracts	(139,371)	135,662
	\$ 45,660,314	\$51,517,049
	=====	=====

At December 31, 1998 and 1997, the Program held percentage interests in the Master Trust of 14.6% and 14.6%, 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.

6. INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Program has entered into a benefit responsive investment contract with Northwestern National Life Insurance Company (NWNL). 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. NWNL maintains the contributions in a pooled account. The average yield under this contract was 5.76% and 6.51% at December 31, 1998 and 1997, respectively. The crediting interest rate under this contract at December 31, 1998 and 1997, and for the years then ended was 5.5% and 6.5%, 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.

7. TAX STATUS

The Program obtained a favorable 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 are being 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, February 11, 1998, and July 7, 1998. Compliance statements were received on February 5, 1997, October 30, 1997, June 11, 1998, and March 9, 1999, respectively. Therefore, no provision for income taxes has been included in the Program's financial statements.

8. PROGRAM TERMINATION

Although the Corporation has not expressed any intent to do so, they have 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 Corporation 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.

9. FUND INFORMATION

Net assets available for benefits, withdrawals and investment income by fund are as follows as of and for the years ended December 31, 1998 and 1997:

	1998	1997
Net assets available for benefits:		
Union Pacific Common Stock Fund	\$ 5,875,712	\$ 1,036,046
Union Pacific Equity Fund *	41,894,920	35,098,131
Union Pacific Fixed Income Fund	5,151,877	2,681,004
Vanguard Total Bond Market Index Fund	1,749,045	238,257
Vanguard Prime Money Market Fund	1,192,026	624,840
Vanguard Wellington Fund	3,992,510	3,243,208
Vanguard U.S. Growth Fund *	9,369,814	2,004,614
Vanguard International Growth Fund	1,613,097	985,909
Vanguard Windsor Fund *	58,467,953	76,732,277
NWNL GIC Fund *	26,916,859	32,803,511
Union Pacific Corporate's Res (Excl Divs)	16,969	117,349
Loan Fund	1,562,014	1,755,699
	-----	-----
Total	\$157,802,796	\$157,320,845
	=====	=====

9. FUND INFORMATION (continued)

	1998	1997
Distributions to participants:		
Union Pacific Common Stock Fund	\$ 112,790	\$ 548
Union Pacific Equity Fund	2,744,161	1,293,010
Union Pacific Fixed Income Fund	307,017	4,466
Vanguard Total Bond Market Index Fund	21,239	175
Vanguard Prime Money Market Fund	328,729	12,199
Vanguard Wellington Fund	222,068	1,780
Vanguard U.S. Growth Fund	420,028	253
Vanguard International Growth Fund	273,998	1,409
Vanguard Windsor Fund	5,007,998	3,125,987
NWNL GIC Fund	4,566,716	3,816,693
Union Pacific Corporate's Res (Excl Divs)	-	-
Loan Fund	38,659	96,141
	-----	-----
Total	\$14,043,403	\$ 8,352,661
	=====	=====
Investment income:		
Union Pacific Common Stock Fund	\$ (146,572)	\$ 87,522
Union Pacific Equity Fund	9,795,046	8,848,307
Union Pacific Fixed Income Fund	262,871	177,428
Vanguard Total Bond Market Index Fund	90,435	11,837
Vanguard Prime Money Market Fund	50,283	26,264
Vanguard Wellington Fund	369,438	368,986
Vanguard U.S. Growth Fund	1,794,796	368,771
Vanguard International Growth Fund	163,379	14,189
Vanguard Windsor Fund	505,207	14,393,833
NWNL GIC Fund	1,528,196	2,121,962
Union Pacific Corporate's Res (Excl Divs)	(28,874)	(30,888)
Loan Fund	141,149	133,783
	-----	-----
Total	\$14,525,354	\$26,521,994
	=====	=====

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

10. 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. Vanguard Fiduciary Trust Company is the Trustee as defined by the Program 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, 1998

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	\$26,916,859	\$26,916,859

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

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
 YEAR ENDED DECEMBER 31, 1998

 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-135969-1-001	Group annuity contract fund	\$1,530,856	\$ -	\$ -	\$1,530,856	\$ -
Northwestern National Life						
Insurance Company Contract #GA-135969-1-001	Group annuity contract fund	\$ -	\$7,417,507	\$7,417,507	\$7,417,507	\$ -

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)
Northwestern National Life						
Insurance Company Contract #GA-135969-1-001	Group annuity contract fund	57	98	\$ 1,629,910	\$ 7,516,562	\$ -

COVER

Exhibit 99 (e)

SOUTHERN PACIFIC RAIL
CORPORATION THRIFT PLAN

Financial Statements as of and for the
Years Ended December 31, 1998 and 1997
and Independent Auditors' Reports

INDEX

SOUTHERN PACIFIC RAIL 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 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 statements of net assets available for benefits of the Southern Pacific Rail Corporation Thrift Plan (the Plan) as of December 31, 1998 and 1997, 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, 1998 and 1997, and changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, in 1998 the Plan changed its method of accounting from a modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles, to an accrual basis to conform with generally accepted accounting principles.

DELOITTE & TOUCHE LLP

Omaha, Nebraska
May 17, 1999

SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1998 AND 1997

	1998	1997
ASSETS		
Investments at fair value (Notes 2, 3, 4 and 8)	\$182,126,479 -----	\$181,831,117 -----
Net assets available for benefits	\$182,126,479 =====	\$181,831,117 =====

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
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997

ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Notes 4 and 8):		
Net appreciation in fair value of		
investments (Note 3)	\$ 12,124,244	\$ 12,656,999
Interest	6,190,191	7,580,201
Dividends	4,060,559	3,191,940
	-----	-----
Total investment income	22,374,994	23,429,140
	-----	-----
Contributions (Note 8):		
Employee	6,177	4,943,311
Employer	643	2,184,349
	-----	-----
Total contributions	6,820	7,127,660
	-----	-----
Total additions	22,381,814	30,556,800
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distribution to participants (Note 8)	22,023,786	37,541,145
Investment and administrative expenses	62,666	171,454
	-----	-----
Total deductions	22,086,452	37,712,599
	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	295,362	(7,155,799)
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	181,831,117	188,986,916
	-----	-----
End of year	\$182,126,479	\$181,831,117
	=====	=====

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

SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1998 AND 1997

1. DESCRIPTION OF PLAN

The following description of the Southern Pacific Rail Corporation Thrift Plan (the Plan), prior to the adoption of amendments as described in Note 5, 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 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.

Plan Merger - 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.

Spin-Off - In September 1996, UPC's 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 Union Pacific Corporate's Res Fund (Excl Divs) (formerly Resources Stock Fund). Future contributions to the Resources Stock are not permitted.

Contributions - Prior to 1998, participants could elect to make employee contributions in an amount not less than 1% nor more than 16% of their salary. These contributions could 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 matched 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. (See Note 5)

Loans to Participants - Effective January 1, 1998, participants are eligible to make a loan from their accounts (see Note 5). 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. The loans bear interest ranging from 7.75% to 8.5%. The number of loans outstanding at December 31, 1998, was 179.

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

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

Investment Options - For 1998, a participant may direct investment allocations 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 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 Prime Money Market Fund - 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 Fund - Funds are invested in shares of a registered investment company that invests in foreign common stocks with high growth potential.

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

Through May 30, 1997, participants could direct contributions in 1% increments in any of the following 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.

Union Pacific Common Stock Fund - Funds are primarily 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.

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 UPC. Administration expenses of the Plan, with the exception of investment management fees, are paid by UPC. Investment management fees are paid by the Plan directly from fund earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - In 1998, the Plan changed its method of accounting from a modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles, to an accrual basis of accounting. The change did not have a material effect on the Plan's financial statements. 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 Common Stock Fund, Union Pacific Corporate's Res Fund (Excl Divs) (formerly Resources Stock Fund), Vanguard Wellington Fund, Union Pacific Index Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Fund, and the Vanguard Total Bond Market Index Fund are valued at fair value as determined by quoted market prices. Investments in the Fixed Income Fund and the Vanguard Prime Money Market 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.

3. INVESTMENTS

The following table presents the fair value of investments:

	December 31,	
	----- 1998	1997
Investments at Fair Value as Determined by		
Quoted Market Price:		
Master Trust	\$ 89,450,324	\$ 79,300,412
Investments at Estimated Fair Value:		
Master Trust	92,676,155	102,530,705
	-----	-----
	\$182,126,479	\$181,831,117
	=====	=====

During 1998 and 1997, the Plan's investments (including bought, sold and held during the year) appreciated (depreciated) in value by \$12,124,244 and \$12,656,999, respectively, as follows:

	Year Ended December 31,	
	----- 1998	1997
Net Change in Fair Value		
Investments at Fair Value as Determined by		
Quoted Market Price:		
Master Trust	\$12,167,145	\$ 5,345,207
Commingled Funds	-	6,964,859
Common Stock	-	420,977
	-----	-----
	12,167,145	12,731,043
	-----	-----
Investments at Estimated Fair Value:		
Master Trust	(42,901)	(74,044)
	-----	-----
Net change in fair value	\$12,124,244	\$12,656,999
	=====	=====

4. MASTER TRUST

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

	December 31,	
	1998	1997
Investments at Fair Value as Determined by Quoted Market Price:		
Common Stock	\$180,799,876	\$180,366,490
Mutual Funds	502,653,251	445,408,000
	-----	-----
	683,453,127	625,774,490
	-----	-----
Investments at Estimated Fair Value:		
Mutual Funds	4,705,410	4,472,397
Guaranteed Investment Contracts	186,741,644	201,246,115
Participant Loans	20,156,166	18,826,627
	-----	-----
	211,603,220	224,545,139
	-----	-----
Total Investments at Fair Value	\$895,056,347	\$850,319,629
	=====	=====

Total interest and dividends of the Master Trust was \$38,830,582 and \$42,436,033 for the years ended December 31, 1998 and 1997, respectively. During 1998 and 1997, the Master Trust's investments (including investments bought, sold, and held during the year) appreciated in value by \$45,660,314 and \$51,517,049, respectively, as follows:

	Year Ended December 31,	
	1998	1997
Net appreciation (depreciation) in fair value		
Common Stocks	\$(24,017,989)	\$(2,627,738)
Mutual Funds	69,817,674	54,009,125
Guaranteed Investment Contracts	(139,371)	135,662
	-----	-----
Net change in fair value	\$ 45,660,314	\$51,517,049
	=====	=====

At December 31, 1998 and 1997, the Plan held percentage interests in the Master Trust of 20.4% and 21.4%, 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

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. No new participants were allowed in the Plan 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 has received a favorable letter of determination from the Internal Revenue Service dated February 8, 1996 which stated that the Plan is qualified under the provisions of Sections 401(a) of the Internal Revenue Code of 1986, as amended, and exempt from Federal income taxes under Section 501(a). The Plan has been amended since receiving the determination letter. 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. Submissions to the VCR program were made on December 16, 1996, July 8, 1998 and February 19, 1999. Compliance letters were received on the first two filings on June 24, 1998 and February 1, 1999, respectively. The February 19, 1999 filing is still pending. Therefore, no provision for income taxes has been included in the Plan's financial statements.

7. PLAN TERMINATION

Although the Plan is intended to be continued by UPC, UPC reserves the right to amend or terminate the Plan. In the event of a full or partial Plan termination, or UPC permanently ceases to make contributions, all invested amounts shall immediately vest and be non-forfeitable. All funds shall continue to be held for distribution as provided in the Plan. (See Note 1)

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, 1998 and 1997:

	1998	1997
Investments:		
Union Pacific Common Stock Fund *	\$ 9,951,464	\$ 3,649,129
Union Pacific Equity Fund *	41,337,063	39,246,723
Union Pacific Fixed Income Fund *	90,526,223	102,175,722
Union Pacific Corporate's Res Fund (Excl Divs)	102,716	419,853
Vanguard Wellington Fund *	18,710,085	21,254,363
Vanguard Prime Money Market Fund	123,930	354,983
Vanguard U.S. Growth Fund *	15,567,217	11,225,160
Vanguard International Growth Fund	3,317,184	3,451,628
Vanguard Total Bond Market Index Fund	464,595	53,556
Loan Fund	2,026,002	-
	----- \$182,126,479 =====	----- \$181,831,117 =====
Investment Income:		
Fixed Investment Fund	\$ -	\$ 3,278,325
Value Equity Fund	-	4,335,308
Balanced Fund	-	1,574,122
International Equity Fund	-	476,979
Growth Equity Fund	-	578,511
Union Pacific Common Stock Fund	(765,726)	244,840
Union Pacific Equity Fund	10,062,380	5,548,473
Union Pacific Fixed Income Fund	5,998,305	4,321,507
Union Pacific Corporate's Res Fund (Excl Divs)	(189,718)	(92,375)
Vanguard Wellington Fund	2,340,399	2,409,685
Vanguard Prime Money Market Fund	19,385	9,310
Vanguard U.S. Growth Fund	4,288,594	976,303
Vanguard International Growth Fund	486,442	(232,310)
Vanguard Total Bond Market Index Fund	26,582	462
Loan Fund	108,351	-
	----- \$ 22,374,994 =====	----- \$ 23,429,140 =====

8. FUND INFORMATION (continued)

	1998	1997
Contributions:		
Fixed Investment Fund	\$ -	\$ 1,605,842
Value Equity Fund	-	698,345
Balanced Fund	-	378,395
International Equity Fund	-	99,409
Growth Equity Fund	-	230,976
Union Pacific Common Stock Fund	-	205,142
Union Pacific Equity Fund	181	919,990
Union Pacific Fixed Income Fund	6,326	1,886,218
Union Pacific Corporate's Res Fund (Exc Divs)	-	-
Vanguard Wellington Fund	199	581,213
Vanguard Prime Money Market Fund	-	692
Vanguard U.S. Growth Fund	96	377,133
Vanguard International Growth Fund	18	138,173
Vanguard Total Bond Market Index F Loan Fund	-	6,132
	-----	-----
	\$ 6,820	\$ 7,127,660
	=====	=====
Distributions to participants:		
Fixed Investment Fund	\$ -	\$10,147,734
Value Equity Fund	-	1,831,273
Balanced Fund	-	1,211,753
International Equity Fund	-	277,421
Growth Equity Fund	-	293,790
Union Pacific Common Stock Fund	416,918	2,760,222
Union Pacific Equity Fund	5,141,444	3,211,686
Union Pacific Fixed Income Fund	11,774,028	13,261,296
Union Pacific Corporate's Res Fund (Excl Divs)	26,817	108,886
Vanguard Wellington Fund	2,634,612	2,038,630
Vanguard Prime Money Market Fund	10,325	357,698
Vanguard U.S. Growth Fund	1,285,319	1,590,503
Vanguard International Growth Fund	547,969	450,253
Vanguard Total Bond Market Index Fund	150,890	-
Loan Fund	35,464	-
	-----	-----
	\$22,023,786	\$37,541,145
	=====	=====

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

9. 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. In addition, as of September 11, 1996 (the merger date), the Plan held stock issued by Union Pacific Corporation. Union Pacific Corporation is the holding company of the Plan sponsor, therefore, these transactions qualify as party-in-interest transactions. Prior to the merger, the Plan held stock issued by the Plan sponsor, Southern Pacific Rail Corporation (Note 1).