

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, 1996

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
(State or other jurisdiction
of incorporation or organization)

13-2626465
(I.R.S. Employer
Identification No.)

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

18018
(Zip Code)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

As of February 28, 1997 the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was approximately \$14,872,259,119.

The number of shares outstanding of the registrant's Common Stock as of February 28, 1997 was 246,842,475.

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, 1996 (Parts I, II and IV); and (2) registrant's definitive Proxy Statement for the annual meeting of stockholders to be held on April 18, 1997 (Part III).

The undersigned Registrant hereby amends its Annual Report on Form 10-K for the fiscal year ended December 31, 1996 to include the following exhibits:

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

Exhibit Number	Exhibit
- - - - -	- - - - -
(23)	Independent Auditors' Consents
(99)(a)	Financial Statements for the Fiscal Year ended December 31, 1996 required by Form 11-K for the Union Pacific Corporation Thrift Plan.
(99)(b)	Financial Statements for the Fiscal Year ended December 31, 1996 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, 1996 required by Form 11-K for the Skyway Retirement Savings Plan.
(99)(d)	Financial Statements for the Fiscal Year ended December 31, 1996 required by Form 11-K for the Union Pacific Agreement Employee 401(k) Retirement Thrift Plan.
(99)(e)	Financial Statements for the Fiscal Year ended December 31, 1996 required by Form 11-K for the Union Pacific Motor Freight Agreement Employee 401(k) Retirement Thrift Plan.
(99)(f)	Financial Statements for the Fiscal Year ended December 31, 1996 required by Form 11-K for the Chicago and North Western Railway Company Profit Sharing and Retirement Savings Program.
(99)(g)	Financial Statements for the Fiscal Year ended December 31, 1996 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.

Dated: June 26, 1997

UNION PACIFIC CORPORATION
(Registrant)

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

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

EXHIBIT INDEX

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(99)(g)	Financial Statements for the Fiscal Year ended December 31, 1996 required by Form 11-K for the Southern Pacific Rail Corporation Thrift Plan.

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Post-Effective Amendment No. 1 to Registration Statement No. 33-12513 and in Registration Statement No. 33-49849 of Union Pacific Corporation on Forms S-8 of our report dated June 17, 1997 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, 1996.

/s/ Deloitte & Touche LLP

New York, New York

June 25, 1997

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-49785 of Union Pacific Corporation on Form S-8 of our report dated June 4, 1997, 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, 1996.

/s/ Deloitte & Touche LLP

Omaha, Nebraska

June 25, 1997

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-51735 of Union Pacific Corporation on Form S-8 of our report dated May 1, 1997 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, 1996.

/s/ Deloitte & Touche LLP

San Jose, California

June 25, 1997

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-53968 of Union Pacific Corporation on Form S-8 of our report dated June 4, 1997, 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, 1996.

/s/ Deloitte & Touche LLP

Omaha, Nebraska

June 25, 1997

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 33-54811 of Union Pacific Corporation on Form S-8 of our report dated June 4, 1997, 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, 1996.

/s/ Deloitte & Touche LLP

Omaha, Nebraska

June 25, 1997

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-10797 of Union Pacific Corporation on Form S-8 of our report dated June 4, 1997, appearing in Exhibit 99(f) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the fiscal year ended December 31, 1996.

/s/ Deloitte & Touche LLP

Omaha, Nebraska

June 25, 1997

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the registration statement No. 333-13115 on Form S-8 of Union Pacific Corporation of our report dated June 20, 1997 relating to the statements of net assets available for plan benefits (modified cash basis) of Southern Pacific Rail Corporation Thrift Plan as of December 31, 1996 and 1995, and the related statements of changes in net assets available for plan benefits (modified cash basis), for the years then ended and the related supplemental schedules, which report appears in Exhibit 99(g) of Amendment No. 1 to the Annual Report on Form 10-K of Union Pacific Corporation for the fiscal year ended December 31, 1996. Our report notes these financial statements and supplemental schedules were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

/s/ KPMG Peat Marwick LLP

San Francisco, California
June 25, 1997

Exhibit 99(a)

UNION PACIFIC CORPORATION THRIFT PLAN

Financial Statements for the Years Ended
December 31, 1996 and 1995
and Independent Auditors' Report

UNION PACIFIC CORPORATION THRIFT PLAN

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

INDEPENDENT AUDITORS' REPORT

Union Pacific Corporation Thrift Plan:

We have audited the accompanying statements of net assets available for benefits of the Union Pacific Corporation Thrift Plan (the "Plan") as of December 31, 1996 and 1995 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, 1996 and 1995, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE LLP
New York, New York

June 17, 1997

UNION PACIFIC CORPORATION THRIFT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
ASSETS:		
Investments at fair value (Notes 2, 3 and 7)	\$476,177,320	\$382,627,929
	-----	-----
Net assets available for benefits	\$476,177,320	\$382,627,929
	=====	=====

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, 1996 AND 1995

	1996	1995
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 7):		
Net appreciation in fair value		
of investments	\$ 64,672,659	\$ 73,425,389
Interest	7,138,329	7,177,207
Dividends	11,286,224	7,847,775
	-----	-----
	83,097,212	88,450,371
Contributions by (Note 7):		
Employees	23,593,530	19,113,441
Company	7,699,682	6,615,099
	-----	-----
	31,293,212	25,728,540
 Total Additions	 114,390,424	 114,178,911
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants (Note 7)	20,841,033	15,807,420
	-----	-----
 NET INCREASE	 93,549,391	 98,371,491
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	382,627,929	284,256,438
	-----	-----
 End of Year	 \$476,177,320	 \$382,627,929
	=====	=====

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

UNION PACIFIC CORPORATION THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS

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, non-agreement employees generally become eligible to participate in the Plan after completing twelve months continuous service and working at least 1,000 hours.

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 meets the requirements of section 401(k) of the Internal Revenue Code, which (i) 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) provides for payroll based employee stock ownership plan contributions ("PAYSOP"), and (iv) makes various other changes intended to give participants greater control and flexibility with respect to Plan investments.

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

Loans to Participants - In June 1985, the loan provisions of the Plan were approved by the Internal Revenue Service and became effective. The amount of a loan is limited to one-half of the vested value of a participant's account, 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 account, 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. Participant 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, 1996 and 1995 was 1,725 and 1,797, respectively.

UNION PACIFIC CORPORATION THRIFT PLAN
NOTES TO FINANCIAL STATEMENTS--(continued)

Participant Accounts - Aggregate monthly employee and Company contributions may be invested entirely in the Union Pacific Company Stock Fund (Company Stock), Union Pacific Equity Index Fund (Equity Index), Union Pacific Fixed Income Fund (Fixed Income), Vanguard/Wellington Fund (Wellington), Vanguard U.S. Growth Portfolio (U.S. Growth), Vanguard Money Market Reserves-Prime Portfolio (VMMR Prime Portfolio), Vanguard International Growth Portfolio (International Growth), Vanguard Bond Index Fund (Bond Index) or any combination thereof, in multiples of 5% in accordance with separate elections by each employee. At December 31, 1996 and 1995, 5,731 and 5,265 members of the Plan held interest in 4,920 and 4,725 Company stock accounts, 2,782 and 2,614 Equity Index accounts, 3,935 and 2,676 Fixed Income accounts, 3,899 and 0 Resources Stock accounts, 1,714 and 1,302 Wellington accounts, 100 and 9 VMMR Prime Portfolio accounts, 1,587 and 925 U.S. Growth accounts, 1,419 and 1,106 International Growth accounts, and 477 and 440 Bond Index accounts, respectively. In addition, 3,213 and 3,337 members held interest in PAYSOP accounts at December 31, 1996 and 1995, respectively.

Participants' Plan accounts are maintained on a unit basis. Under this method, an employee's account value is expressed in units of participation, representing an undivided interest in the underlying assets and income of the Fund. The purchase or redemption price of the units is determined daily by the Trustee, based on the current market values, or contract value in the case of Guaranteed Investment Contracts (GICs), of the underlying assets of the Fund.

Vesting - Vesting is based exclusively upon years of service. Participants at all times have a 100% vested interest in their voluntary contributions plus actual earnings thereon and their PAYSOP account. A participant's vested interest in the portion of his/her account derived from Company contributions increases 25% every year, after two years of credited service, to 100% vested after five years of credited service. A participant's interest in the Company's contributions will also become 100% vested if, while employed by the Company, the participant reaches age 65, dies, or sustains a total and permanent disability.

Payment 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 installments 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. Final distributions of PAYSOP accounts must be lump sum distributions. For benefit payments equal to or less than \$3,500, the Plan Administrator may direct the Trustee to make a lump sum payment to the participant or beneficiary. A participant has the option to receive the value of his/her PAYSOP account and the portion of his/her account invested in the Company 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,

UNION PACIFIC CORPORATION THRIFT PLAN
NOTES TO FINANCIAL STATEMENTS--(continued)

the previously forfeited nonvested portion of the participant's account may be restored through Company contributions.

Amounts summarized below represent Company contributions forfeited for the years ended December 31, 1996 and 1995:

	1996	1995
	-----	-----
Company contributions forfeited.....	\$24,278	\$30,851
Applied against current year contributions.....	18,170	18,643
	-----	-----
Applied to reduce subsequent year contributions...	\$ 6,108	\$12,208
	=====	=====

Administrative Expenses - All costs of Plan administration are borne by the Company.

2. Significant Accounting Policies - 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 the Employee Retirement Income Security Act of 1974 as permitted by the Securities and Exchange Commission's amendments to Form 11-K adopted during 1990.

Investments are valued utilizing closing prices except for the investment in the GICs, which is valued at cost plus reinvested interest. Dividend income is recorded as of the ex-dividend date. Security transactions are recorded as of the trade date. Certain 1995 amounts have been reclassified to conform to the 1996 financial statement presentation.

3. Investments - At December 31, 1996 and 1995, Plan investments were maintained in commingled funds of the Plan Trustees along with investments of another Company-administered Thrift Plan, within a Master Trust. The Union Pacific Resources Company Employee Thrift Plan ("Resources Plan") was the other participant in the Master Trust at December 31, 1995. Investments for the Chicago and North Western Railway Company Profit Sharing and Retirement Savings Program ("C&NW PS/RS") were added to the Master Trust effective July 31, 1996. The Resources Plan investments were removed from the Master Trust as a result of the Spin-Off. 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. At December 31, 1996 and 1995, the Plan held percentage interests in the Master Trust of 99.5 and 82.9 in Company Stock (including PAYSOP), 77.1 and 66.2 in Equity Index, 98.4 and 65.8 in Fixed Income, 91.9 and 77.7 in the Loan Fund, 97.5 and 74.0 in Wellington, 94.9 and 71.9 in U.S. Growth, 86.7 and 33.3 in the VMMR Prime Portfolio, 98.5 and 75.6 in International Growth, and 100.0 and 70.2 in Bond Index, and 99.6 and 0.0 in Resources Stock.

At December 31, 1996 and 1995, the total investments at fair value of the Master Trust were \$577,591,251 and \$526,488,315, respectively. In addition, total net appreciation in fair value of investments and total interest and dividends were \$86,837,354 and \$95,247,372 and \$28,728,709 and \$21,156,851, respectively, for the years ended December 31, 1996 and 1995.

The Plan provides for separate funds for the investment of contributions.

UNION PACIFIC CORPORATION THRIFT PLAN
NOTES TO FINANCIAL STATEMENTS--(continued)

Participants may designate into which fund or funds their contributions and the Company matching contributions are to be directed within specific limits. At December 31, 1996 and 1995, Company Stock and PAYSOP are invested primarily in Union Pacific common stock. Equity Index is invested in the Vanguard Index Trust 500 Portfolio Fund at December 31, 1996 and 1995, which is designed to closely track the investment performance of the Standard and Poor's 500 Composite Stock Index. At December 31, 1996 and 1995, Fixed Income is comprised of investments in GICs bearing interest at 6.05% to 7.85% and 5.94% to 7.85%, respectively. Interest rates are fixed for the life of each contract. GICs are held with insurance companies rated at least A-1 by Standard & Poors. The maturities of these GICs are generally not longer than five years and their principal and interest are unconditionally guaranteed by the respective insurance companies. The fair value of GIC's approximates their contract value. At December 31, 1996 and 1995, Fixed Income is also comprised of the Vanguard Investment Contract Trust, which is comprised of contracts issued by financial institutions and backed by high quality bonds and bond mutual funds. As the GICs expire, the proceeds will be reinvested in the Vanguard Investment Contract Trust. Wellington is invested in the Vanguard/Wellington Fund at December 31, 1996, which is comprised of common stocks and fixed-income securities. At December 31, 1996, U.S. Growth is invested in Vanguard U.S. Growth Portfolio which is comprised of established U.S. growth stocks. International Growth is invested in the Vanguard International Growth Portfolio at December 31, 1996, which is comprised of foreign common stocks with high growth potential. At December 31, 1996, Bond Index is invested in the Vanguard Bond Index Fund which is designed to closely track the investment performance of the Lehman Brothers Aggregate Bond Index. VMMR Prime Portfolio 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. At December 31, 1996, Resources Stock is invested primarily in Resources common stock.

4. Plan Amendments - Effective July 1, 1996, the Plan was amended to provide that final distributions may be made in annual installments over a period of time not to exceed ten years. The loan provisions of the Plan were amended effective July 1, 1996, to allow a loan term of 12 months, to remove the limitations based on salary level, to allow loans on rollover contributions during the first year of employment, and to provide that one partial payment of at least \$500 will be allowed each year. Effective October 15, 1996, the Plan was amended to reflect the Spin-Off and the related creation of Resources Stock. Effective September 1, 1996, the Plan was amended to provide that a participant would be suspended effective when a loan from the C&NW PS/RS enters a grace period or becomes due and payable. Effective September 11, 1996, Southern Pacific Rail Corporation and any wholly-owned subsidiary thereof (SP Companies) became Employers under the Plan. Effective September 11, 1996, the Plan was amended to provide that a Covered Employee transferred to an SP Company would remain a Covered Employee until December 31, 1997, and any individual eligible to participate in the Southern Pacific Rail Corporation Thrift Plan between September 11, 1996 and December 31, 1997, and becoming a Covered Employee during that period would not become an Eligible Employee prior to January 1, 1998.

5. Federal Income Taxes - The Company has received a letter of determination from the Internal Revenue Service dated April 18, 1995, and the Plan Administrator and the Plan's tax counsel believe that the Plan, as subsequently amended, is currently designed and being operated in compliance

UNION PACIFIC CORPORATION THRIFT PLAN
NOTES TO FINANCIAL STATEMENTS--(continued)

with section 401(a) of the Internal Revenue Code of 1986, as amended. With respect to the operation of the Plan, Plan management is aware of certain operational defects which could adversely affect 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 August 5, 1996.

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. In addition, no provision for Federal income taxes has been made in the financial statements.

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

7. Fund Information - Investments at par value, investment income, contributions, and distributions to participants by fund are as follows for the years ended December 31, 1996 and 1995:

	Year Ended December 31, 1996	Year Ended December 31, 1995
	-----	-----
Investments at Fair Value:		
Union Pacific Company Stock Fund	\$127,266,375	\$132,265,668
Union Pacific Equity Index	91,508,657	75,624,191
Union Pacific Fixed Income	92,215,165	87,346,365
Common Stock/PAYSOP	10,378,499	8,279,048
Resources Stock Fund	51,360,520	--
Vanguard Wellington Fund	30,566,181	25,833,050
VMMR Prime Portfolio	1,984,161	131,259
Vanguard US Growth Fund	26,813,999	15,468,564
Vanguard International Growth Portfolio Fund	24,514,297	17,915,064
Vanguard Total Bond Market Fund	3,417,789	3,985,401
Loan Fund	16,151,677	15,779,319
	-----	-----
	\$476,177,320	\$382,627,929
	=====	=====

UNION PACIFIC CORPORATION THRIFT PLAN
NOTES TO FINANCIAL STATEMENTS--(continued)

	Year Ended December 31, 1996	Year Ended December 31, 1995
	-----	-----
Investment Income:		
Union Pacific Company Stock Fund	\$ 25,406,609	\$ 47,902,716
Union Pacific Equity Index	17,420,616	19,666,695
Union Pacific Fixed Income	5,494,978	6,353,369
Company Stock/PAYSOP	2,507,552	2,788,556
Resources Stock Fund	18,858,691	--
Vanguard Wellington Fund	4,233,058	5,141,861
VMMR Prime Portfolio	54,700	693
Vanguard U.S. Growth Fund	4,800,095	2,920,833
Vanguard International Growth Portfolio Fund	2,971,594	2,136,376
Vanguard Total Bond Market Fund	93,817	479,957
Loan Fund	1,255,502	1,059,315
	-----	-----
	\$ 83,097,212	\$ 88,450,371
	=====	=====
Contributions:		
Union Pacific Company Stock Fund	\$ 8,736,619	\$ 8,582,467
Union Pacific Equity Index	6,599,982	5,305,357
Union Pacific Fixed Income	5,699,884	5,843,040
Company Stock/PAYSOP	5,741	2,924
Resources Stock Fund	3,160	--
Vanguard Wellington Fund	4,023,577	2,461,104
VMMR Prime Portfolio	163,231	1,053
Vanguard U.S. Growth Fund	2,834,554	1,122,216
Vanguard International Growth Portfolio Fund	2,663,227	1,984,564
Vanguard Total Bond Market Fund	563,237	425,815
Loan Fund	--	--
	-----	-----
	\$ 31,293,212	\$ 25,728,540
	=====	=====
Distributions to participants:		
Union Pacific Company Stock Fund	\$ 5,148,631	\$ 5,284,198
Union Pacific Equity Index	4,485,174	3,123,367
Union Pacific Fixed Income	5,926,598	5,860,719
Company Stock/PAYSOP	413,842	324,497
Resources Stock Fund	324,621	--
Vanguard Wellington Fund	1,575,834	392,133
VMMR Prime Portfolio	713,289	--
Vanguard U.S. Growth Fund	810,357	207,725
Vanguard International Growth Portfolio Fund	934,304	341,643
Vanguard Total Bond Market Fund	100,045	62,020
Loan Fund	408,338	211,117
	-----	-----
	\$ 20,841,033	\$ 15,807,420
	=====	=====

COVER

Exhibit 99(b)

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

Financial Statements and Supplemental Schedules
for the Years Ended December 31, 1996 and 1995
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.

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, 1996 and 1995 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, 1996 and 1995, 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 1996 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.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 4, 1997

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
ASSETS:		
Investments at fair value (Note 3)	\$301,787	\$175,643
	-----	-----
Net assets available for benefits	\$301,787	\$175,643
	=====	=====

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

3
 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, 1996 AND 1995

	1996	1995
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 7):		
Net appreciation in fair value of		
investments (Note 3)	\$ 35,133	\$ 29,447
Interest	171	125
Dividends	12,049	5,159
	-----	-----
	47,353	34,731
Employee contributions (Note 7)	83,291	68,321
	-----	-----
Total Additions	130,644	103,052
	-----	-----
DEDUCTIONS FORM NET ASSETS ATTRIBUTED TO:		
Distributions to participants (Note 7)	4,500	695
	-----	-----
NET INCREASE	126,144	102,357
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	175,643	73,286
	-----	-----
End of Year	\$301,787	\$175,643
	=====	=====

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, 1996 AND 1995

1. DESCRIPTION OF PLAN

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

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

Contributions - Participants may contribute 2% to 8% of their compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code. 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.

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

Payment of Benefits - Distribution of benefits shall be in a lump sum no later than 60 days following the close of the plan year in which the participant's termination of employment occurs, subject to certain mandatory pay-outs to participants who have attained age 70-1/2, but have not yet terminated employment.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Valuation and Income Recognition - Investments in the Union Pacific Company Stock Fund, Resources Stock Fund, Vanguard/Wellington Fund, Vanguard Index Trust-500 Portfolio Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Portfolio Fund and the Vanguard Total Bond Market Fund are valued at fair value as determined by quoted market prices. The investments in the Vanguard Investment Contract Trust Fund are valued at fair value as determined by Vanguard Fiduciary Trust

Company. Dividend income is recorded as of the ex-dividend date. Security transactions are recorded as of the trade date.

3. INVESTMENTS

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

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

Fund B - Vanguard Wellington Fund - This fund consists of investment in the Vanguard Wellington Mutual Fund.

Fund C - Vanguard Index Trust-500 Portfolio Fund - This fund consists of investment in the Vanguard Index Trust-500 Portfolio Mutual Fund.

Fund D - Vanguard Investment Contract Trust Fund - This fund consists of investment in the Vanguard Fiduciary Trust Company Investment Contract Trust, a collective investment fund for tax-qualified pension and profit sharing plan assets.

Fund E - Vanguard U.S. Growth Fund - This fund consists of investment in the Vanguard U.S. Growth Mutual Fund.

Fund F - Vanguard International Growth Portfolio Fund - This fund consists of investment in the Vanguard International Growth Portfolio Mutual Fund.

Fund G - Vanguard Total Bond Market Fund - This fund consists of investment in the Vanguard Total Bond Market Mutual Fund.

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

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

	December 31, 1996		December 31, 1995	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value as Determined by Quoted Market Price:				
Union Pacific Company Stock Fund	4,682.749	\$ 46,172	3,158.845	\$ 34,242
Resources Stock Fund	1,630.503	17,104	--	--
Vanguard Wellington Fund	3,644.406	95,301	2,552.599	62,360
Vanguard Index Trust - 500 Portfolio Fund	1,696.993	117,364	1,227.725	70,717
Vanguard U.S. Growth Fund	701.654	16,657	260.343	5,298
Other	--	5,805	--	1,191
	-----	298,403	-----	173,808
Other Investments at Estimated Fair Value	3,383.690	3,384	1,834.850	1,835
		-----		-----
Total Investments at Fair Value		\$301,787		\$175,643
		=====		=====

During 1996 and 1995, the Plan's investments (including investments bought, sold, and held during the year), appreciated in value by \$35,133 and \$29,447, respectively, as follows:

	Years Ended December 31,	
	1996	1995
	-----	-----
Net Change in Fair Value		
Investments at Fair Value as Determined by		
Quoted Market Prices:		
Union Pacific Company Stock Fund	\$ 9,327	\$ 5,897
Resources Stock Fund	3,081	--
Mutual Funds	22,725	23,550
	-----	-----
Net change in fair value	\$35,133	\$29,447
	=====	=====

4. PLAN ADMINISTRATION

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

5. TAX STATUS

The Plan obtained a tax determination letter dated July 27, 1995, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the Code). The Plan has been amended since receiving the determination letter. However, Plan management believes that the Plan currently is being operated in compliance with the applicable requirement of the Internal Revenue Code. Therefore, it is believed that the Plan was qualified and the related trust was tax-exempt under provisions of Section 501(a) of the Internal Revenue Code as of the financial statement date. 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, 1996 and 1995:

	Year Ended December 31, 1996 -----	Year Ended December 31, 1995 -----
Investment Income:		
Union Pacific Company Stock Fund	\$10,446	\$ 6,553
Resources Stock Fund	3,081	--
Vanguard Wellington Fund	12,061	13,064
Vanguard Index Trust - 500 Portfolio Fund	19,350	14,642
Vanguard Investment Contract Trust Fund	171	125
Vanguard U.S. Growth Fund	1,686	257
Vanguard International Growth Portfolio Fund	490	89
Vanguard Total Bond Market Fund	68	1
	-----	-----
	\$47,353	\$34,731
	=====	=====
Contributions:		
Union Pacific Company Stock Fund	\$21,351	\$16,939
Resources Stock Fund	--	--
Vanguard Wellington Fund	24,300	24,807
Vanguard Index Trust - 500 Portfolio Fund	28,665	23,468
Vanguard Investment Contract Trust Fund	732	1,455
Vanguard U.S. Growth Fund	5,308	773
Vanguard International Growth Portfolio Fund	2,562	836
Vanguard Total Bond Market Fund	373	43
	-----	-----
	\$83,291	\$68,321
	=====	=====
Distributions to participants:		
Union Pacific Company Stock Fund	\$ 4,500	\$ --
Resources Stock Fund	--	--
Vanguard Wellington Fund	--	189
Vanguard Index Trust - 500 Portfolio Fund	--	--
Vanguard Investment Contract Trust Fund	--	506
Vanguard U.S. Growth Fund	--	--
Vanguard International Growth Portfolio Fund	--	--
Vanguard Total Bond Market Fund	--	--
	-----	-----
	\$ 4,500	\$ 695
	=====	=====

8. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Company Stock Fund which is invested primarily in the 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.

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.

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

Item 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 1996

Column B	Column C	Column D	Column E
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Collateral, Rate of interest, Maturity Date, Par or Maturity Value	Cost	Current Value
Union Pacific Company Stock Fund *	4,682.749 units	\$33,209	\$46,172
Resources Stock Fund	1,630.503 units	14,023	17,104
Vanguard Wellington Fund *	3,644.406 units	82,540	95,301
Vanguard Index Trust - 500 Portfolio Fund *	1,696.993 units	87,948	117,364
Vanguard U.S. Growth Fund*	701.654 units	16,072	16,657
Vanguard International Growth Portfolio Fund *	304.975 units	4,784	5,020
Vanguard Investment Contract Trust Fund *	3,383.690 units	3,384	3,384
Vanguard Total Bond Market Fund *	79.745 units	776	785
		----- \$242,736 =====	----- \$301,787 =====

* 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, 1996

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 Company Stock Fund	28	3	\$22,709	\$6,083	\$ 352
Vanguard Fiduciary Trust Company *	Vanguard Wellington Fund	27	3	\$31,388	\$3,420	\$ 620
Vanguard Fiduciary Trust Company *	Vanguard Index Trust 500 Portfolio Fund	30	2	\$31,965	\$ 2,274	\$ 408
Vanguard Fiduciary Trust Company *	Vanguard Investment Contract Trust Fund	30	2	\$ 8,743	\$7,194	\$ --
Vanguard Fiduciary Trust Company *	Vanguard U.S. Growth Fund	29	1	\$15,590	\$4,718	\$ (52)
Vanguard Fiduciary Trust Company *	Vanguard International Growth Fund	28	1	\$ 6,352	\$2,758	\$ 103

* Represents a party-in-interest

SKYWAY RETIREMENT SAVINGS PLAN

Financial Statements for the Years Ended
December 31, 1996 and 1995, Supplemental
Schedules for the Year Ended December 31, 1996
and Independent Auditors' Report

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SKYWAY RETIREMENT SAVINGS PLAN

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INDEPENDENT AUDITORS' REPORT

The Administrative Committee of the
Skyway Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Skyway Retirement Savings Plan (the Plan) as of December 31, 1996 and 1995, 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, 1996 and 1995, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment as of December 31, 1996 and reportable Plan transactions for the year ended December 31, 1996 are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These schedules are the responsibility of the Plan's management. Such supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic 1996 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.

/s/ DELOITTE & TOUCHE LLP
San Jose, California

May 1, 1997

SKYWAY RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1996 AND 1995

ASSETS	1996	1995

INVESTMENTS		
Vanguard Windsor II - at fair value	\$2,103,245	\$1,339,429
Vanguard Investment Contract Trust - at contract value	1,136,733	1,228,841
Vanguard Index Trust 500 Portfolio - at fair value	1,447,980	985,987
Vanguard International Growth Portfolio - at fair value	1,144,940	864,414
Union Pacific Company Stock Fund - at fair value	848,248	848,031
Union Pacific Resource Group Stock fund - at fair value	320,474	-
Vanguard Total Bond Market Fund - at fair value	644,483	570,476
Participant loans - at face value	410,528	570,476

Total investments	8,056,631	6,085,825
CONTRIBUTIONS RECEIVABLE	71,519	67,451

NET ASSETS AVAILABLE FOR BENEFITS	\$8,128,150	\$6,153,276
	=====	

See notes to financial statements.

SKYWAY RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996	1995

CONTRIBUTIONS:		
Employee	\$1,509,826	\$1,335,213
Employer Matching	326,023	333,572
Less forfeited employer matching funds	(65,194)	(28,193)
	-----	-----
Total contributions	1,770,655	1,640,592
	-----	-----
INVESTMENT INCOME:		
Interest and dividends	383,480	255,458
Net appreciation in fair value of investments	765,142	846,716
	-----	-----
Total investment income	1,148,622	1,102,174
	-----	-----
BENEFIT PAYMENTS	(944,403)	(1,028,786)
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	1,974,874	1,713,980
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	6,153,276	4,439,296
	-----	-----
End of year	\$8,128,150	\$6,153,276
	=====	=====

See notes to financial statements.

SKYWAY RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1996 AND 1995

1. DESCRIPTION OF THE PLAN

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

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

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

Employer contributions are determined at the discretion of the Company's Board of Directors. For the years ended December 31, 1996 and 1995, the Company contributed an amount equal to 25% of each participant's contributions, limited to 10% of the individual participant's annual compensation. Forfeited matching contributions revert to the Company and may be used in the following year to reduce the amount the Company must contribute for the matching contribution.

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

Vesting - Participants are immediately vested as to participant contributions and earnings thereon. Vesting in the remainder of their accounts is based on years of continuous employment. Participants are fully vested after seven years of employment, attainment of age 65, or if employment is terminated by disability or death, regardless of years of service. Upon employee termination, all nonvested amounts will be forfeited.

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

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

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

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

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

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

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

Union Pacific Resource Group Stock Fund- Funds are invested in common stock of Union Pacific Resource Group, Inc.

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

Investment decisions may be changed on a daily basis.

Payment of Benefits - On termination of employment or attainment of age 65, whichever is later, a participant may elect to receive the benefit in one of the following forms: (1) a lump-sum amount equal to the value of the vested portion of the participant's account; (2) installments, payable at least annually over a period of years determined by the Plan's Administrative Committee; (3) a nontransferable annuity contract providing for a monthly guaranteed income for a specified number of years; or (4) a combination of the above.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Payment of Benefits - Benefits are recorded when paid.

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

Administrative expenses of the Plan are paid by the Company.

3. PARTICIPANT LOANS

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

4. PLAN TERMINATION

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

5. ASSETS OF TERMINATED EMPLOYEES

At December 31, 1996 and 1995, approximately \$24,000 and \$265,000, respectively, of vested Plan assets were payable to terminated employees who have withdrawn from participation in the Plan.

6. INCOME TAX STATUS

A favorable determination letter has been received from the Internal Revenue Service as to the qualified status of the Plan as amended through December 15, 1994. Therefore, management believes the Plan was qualified and tax-exempt as of and for the years ended December 31, 1996 and 1995. Accordingly, no provision for federal or state income taxes has been made.

7. INVESTMENT CONTRACT ACCOUNTS

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

The Plan's investment contract accounts are fully benefit responsive and therefore have been presented in the financial statements at contract value. The fair value of the Plan's investment contract accounts approximate the contract value at December 31, 1996.

The average yield on investment contract accounts for the year ended December 31, 1996 and 1995 was 6.07% and 6.23%, respectively. The average crediting interest rates for the respective years were 6.00% and 6.12%.

8. FUND INFORMATION

Contributions, benefit payments and investment income by fund for the years ended December 31, 1996 and 1995 are as follows:

	1996	1995
	-----	-----
Contributions:		
Employee Contributions:		
Vanguard Windsor II	\$ 351,478	\$ 277,426
Vanguard Investment Contract Trust	212,402	209,279
Vanguard Index Trust 500 Portfolio	318,753	249,402
Vanguard International Growth Portfolio	251,915	258,342
Union Pacific Company Stock Fund	233,849	212,921
Union Pacific Resource Group Stock Fund	--	--
Vanguard Total Bond Market Fund	141,429	127,843
	-----	-----
	\$1,509,826	\$1,335,213
	=====	=====
Employer matching contributions:		
Vanguard Windsor II	\$ 82,560	\$ 67,346
Vanguard Investment Contract Trust	(43,293)	35,073
Vanguard Index Trust 500 Portfolio	71,051	60,600
Vanguard International Growth Portfolio	61,064	61,075
Union Pacific Company Stock Fund	54,851	50,568
Union Pacific Resource Group Stock Fund	--	--
Vanguard Total Bond Market Fund	34,596	30,717
	-----	-----
	\$ 260,829	\$ 305,379
	=====	=====

	1996	1995
	-----	-----
Benefit payments:		
Vanguard Windsor II	\$ 171,898	\$ 250,171
Vanguard Investment Contract Trust	204,618	160,078
Vanguard Index Trust 500 Portfolio	166,416	98,296
Vanguard International Growth Portfolio	146,338	304,165
Union Pacific Company Stock Fund	132,546	159,252
Union Pacific Resource Group Stock Fund	10,528	--
Vanguard Total Bond Market Fund	62,011	25,536
Participant loans	50,048	31,288
	-----	-----
	\$ 944,403	\$1,028,786
	=====	=====
Investment income:		
Vanguard Windsor II	\$ 371,776	\$ 346,362
Vanguard Investment Contract Trust	71,316	70,647
Vanguard Index Trust 500 Portfolio	243,011	226,727
Vanguard International Growth Portfolio	136,962	109,739
Union Pacific Company Stock Fund	194,511	256,554
Union Pacific Resource Group Stock Fund	82,864	--
Vanguard Total Bond Market Fund	23,098	76,986
Participant loans	25,084	15,159
	-----	-----
	\$1,148,622	\$1,102,174
	=====	=====

* * * * *

SKYWAY RETIREMENT SAVINGS PLAN

ITEM 27a - SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENT
 PURPOSES
 DECEMBER 31, 1996

	Number of Units	Cost	Market Value
Vanguard Windsor II	88,260	\$ 371,776	\$ 346,362
Vanguard Investment Contract Trust	1,136,733	71,316	70,647
Vanguard Index Trust 500 Portfolio	20,937	243,011	226,727
Vanguard International Growth Portfolio	69,559	136,962	109,739
Union Pacific Company Stock Fund 1	86,029	194,511	256,554
Union Pacific Resource Group Stock Fund 1	30,550	82,864	-
Vanguard Total Bond Market Fund	65,496	23,098	76,986
Participant loans 2	-	25,084	15,159

1 Represents a party-in-interest.

2 Consists of 120 individual loans with interest at prime plus 1% and terms ranging from one to five years.

SKYWAY RETIREMENT SAVINGS PLAN

ITEM 27d - SUPPLEMENTAL SCHEDULE OF REPORTABLE PLAN TRANSACTIONS*
YEAR ENDED DECEMBER 31, 1996

	Cost	Proceeds	Gain
Vanguard Windsor II (67 Transactions)	\$919,197		
Vanguard Investment Contract Trust (107 Transactions)	620,237		
Vanguard Index Trust 500 Portfolio (67 Transactions)	581,083		
Vanguard International Growth Portfolio (50 transactions)	433,830		
Union Pacific Company Stock Fund (51 transactions)	340,186		
Vanguard Investment Contract Trust (83 Transactions)	\$712,346	\$ 712,346	\$ --
Vanguard Windsor II (87 Transactions)	326,902	381,197	\$ 54,295
Vanguard Index Trust 500 Portfolio (86 Transactions)	271,489	331,855	60,366

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

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Financial Statements and Supplemental Schedules
for the Years Ended December 31, 1996 and 1995
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.

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, 1996 and 1995 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, 1996 and 1995 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 1996 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.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 4, 1997

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLANSTATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
ASSETS:		
Investments at fair value (Note 3)	\$92,719,672	\$55,139,991
	-----	-----
Net assets available for benefits	\$92,719,672	\$55,139,991
	=====	=====

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, 1996 AND 1995

	1996	1995
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 7):		
Net appreciation in fair value		
of investments (Note 3)	\$10,564,969	\$ 9,657,059
Interest	330,166	234,540
Dividends	3,212,755	1,451,500
	-----	-----
	14,107,890	11,343,099
Employee contributions (Note 7)	24,829,233	16,805,417
	-----	-----
Total Additions	38,937,123	28,148,516
	-----	-----
DEDUCTION FROM NET ASSETS ATTRIBUTED TO:		
Distribution to participants (Note 7)	1,357,442	943,344
	-----	-----
NET INCREASE	37,579,681	27,205,172
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	55,139,991	27,934,819
	-----	-----
End of Year	\$92,719,672	\$55,139,991
	=====	=====

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, 1996 AND 1995

1. DESCRIPTION OF PLAN

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

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

Contributions - Participants may contribute 2% to 8% of their compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code. 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.

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

Payment of Benefits - Distribution of benefits shall be in a lump sum no later than 60 days following the close of the plan year in which the participant's termination of employment occurs, subject to certain mandatory pay-outs to participants who have attained age 70-1/2, but have not yet terminated employment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Investment Valuation and Income Recognition - Investments in the Union Pacific Company Stock Fund, Resources Stock Fund, Vanguard Wellington Fund, Vanguard Index Trust-500 Portfolio Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Portfolio Fund and the Vanguard Total Bond Market Fund are valued at fair value as determined by quoted market prices. The investments in the Vanguard Investment Contract Trust Fund are valued at fair value as determined by Vanguard Fiduciary Trust Company.

Dividend income is recorded as of the ex-dividend date.
Security transactions are recorded as of the trade date.

3. INVESTMENTS

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

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

Fund B - Vanguard Wellington Fund - This fund consists of investment in the Vanguard Wellington Mutual Fund.

Fund C - Vanguard Index Trust-500 Portfolio Fund - This fund consists of investment in the Vanguard Index Trust-500 Portfolio Mutual Fund.

Fund D - Vanguard Investment Contract Trust Fund - This fund consists of investment in the Vanguard Fiduciary Trust Company Investment Contract Trust, a collective investment fund for tax-qualified pension and profit sharing plan assets.

Fund E - Vanguard U.S. Growth Fund - This fund consists of investment in the Vanguard U.S. Growth Mutual Fund.

Fund F - Vanguard International Growth Portfolio Fund - This fund consists of investment in the Vanguard International Growth Portfolio Mutual Fund.

Fund G - Vanguard Total Bond Market Fund - This fund consists of investment in the Vanguard Total Bond Market Mutual Fund.

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

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

	December 31, 1996		December 31, 1995	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value Determined by Quoted Market Price:				
Union Pacific Company Stock Fund	\$1,455,658.553	\$14,352,794	1,016,452.978	\$11,018,350
Resources Stock Fund	493,540.126	5,177,236	--	--
Vanguard Wellington Fund	845,091.198	22,099,135	611,225.539	14,932,240
Vanguard Index Trust - 500 Portfolio Fund	499,790.113	34,565,484	368,706.110	21,237,472
Vanguard U.S. Growth Fund	202,362.143	4,804,077	48,688.571	990,812
Other	--	4,706,223	--	2,181,244
		85,704,949		50,360,118
Investments at Estimated Fair Value:				
Vanguard Investment Contract Trust Fund	7,014,723.420	7,014,723	4,779,873.470	4,779,873
		\$92,719,672		\$55,139,991

During 1996 and 1995 the Plan's investment (including investments bought, sold, and held during the year), appreciated in value by \$10,564,969 and \$9,657,059 respectively as follows:

Net Change in Fair Value	Year Ended December 31,	
	1996	1995
Investments at Fair Value as Determined by Quoted Market Price:		
Union Pacific Company Stock Fund	\$ 2,927,426	\$ 2,656,355
Resources Stock Fund	979,849	--
Mutual Funds	6,657,694	7,000,704
Net change in fair value	<u>\$10,564,969</u> =====	<u>\$ 9,657,059</u> =====

4. PLAN ADMINISTRATION

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

5. TAX STATUS

The Plan obtained a tax determination letter dated July 27, 1995, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the Code). The Plan has been amended since receiving the determination letter. However, Plan management believes that the Plan currently is being operated in compliance with the applicable requirement of the Internal Revenue Code. Therefore, it is believed that the Plan was qualified and the related trust was tax-exempt under provisions of Section 501(a) of the Internal Revenue Code as of the financial statement date. 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, 1996 and 1995:

	Year Ended December 31, 1996	Year Ended December 31, 1995
	-----	-----
Investment Income:		
Union Pacific Company Stock Fund	\$ 3,271,547	\$ 2,906,421
Resources Stock Fund	979,849	--
Vanguard Wellington Fund	2,821,356	3,049,684
Vanguard Index Trust - 500 Portfolio Fund	5,730,512	4,783,462
Vanguard Investment Contract Trust Fund	330,166	234,540
Vanguard U.S. Growth Fund	553,670	155,034
Vanguard International Growth Portfolio Fund	400,405	193,334
Vanguard Total Bond Market Fund	20,385	20,624
	-----	-----
	\$14,107,890	\$11,343,099
	=====	=====
Contributions:		
Union Pacific Company Stock Fund	\$ 4,741,092	\$ 3,538,563
Resources Stock Fund	--	--
Vanguard Wellington Fund	5,981,467	4,410,060
Vanguard Index Trust - 500 Portfolio Fund	8,406,639	5,850,039
Vanguard Investment Contract Trust Fund	1,847,997	1,539,332
Vanguard U.S. Growth Fund	1,752,820	424,127
Vanguard International Growth Portfolio Fund	1,736,846	932,616
Vanguard Total Bond Market Fund	362,372	110,680
	-----	-----
	\$24,829,233	\$16,805,417
	=====	=====
Distributions to participants:		
Union Pacific Company Stock Fund	\$ 274,615	\$ 177,571
Resources Stock Fund	15,538	--
Vanguard Wellington Fund	396,073	213,372
Vanguard Index Trust - 500 Portfolio Fund	461,026	387,928
Vanguard Investment Contract Trust Fund	152,800	128,888
Vanguard U.S. Growth Fund	12,101	7,040
Vanguard International Growth Portfolio Fund	42,826	24,705
Vanguard Total Bond Market Fund	2,463	3,840
	-----	-----
	\$ 1,357,442	\$ 943,344
	=====	=====

8. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Company Stock Fund which is invested primarily in the 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.

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.

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Item 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 1996

Column B	Column C	Column D	Column E
Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Collateral, Rate of interest, Maturity Date, Par or Maturity Value	Cost	Current Value
Union Pacific Company Stock Fund *	1,455,658.533 units	\$10,370,637	\$14,352,794
Resources Stock Fund	493,540.126 units	4,218,899	5,177,236
Vanguard Wellington Fund *	845,091.198 units	19,108,500	22,099,135
Vanguard Index Trust - 500 Portfolio Fund *	499,790.113 units	25,707,974	34,565,484
Vanguard Investment Contract Trust Fund *	7,014,723.420 units	7,014,723	7,014,723
Vanguard U.S. Growth Fund *	202,362.143 units	4,526,779	4,804,077
Vanguard International Growth Portfolio Fund *	248,062.367 units	3,810,567	4,083,107
Vanguard Total Bond Market Fund *	63,324.862 units	619,445	623,116
		----- \$75,377,524 =====	----- \$92,719,672 =====

* Represents a party-in-interest

UNION PACIFIC AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 1996

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 Company Stock Fund	161	210	\$ 7,820,804	\$3,037,434	\$365,779
Vanguard Fiduciary Trust Company *	Vanguard Wellington Fund	117	216	\$ 7,990,143	\$2,009,057	\$297,241
Vanguard Fiduciary Trust Company *	Vanguard Index Trust - 500 Portfolio Fund	196	207	\$10,786,620	\$2,489,185	\$465,381
Vanguard Fiduciary Trust Company *	Vanguard Investment Contract Trust Fund	232	207	\$ 4,793,851	\$2,558,965	\$ -
Vanguard Fiduciary Trust Company *	Vanguard U.S. Growth Fund	209	119	\$ 4,287,796	\$ 691,292	\$ 44,405
Vanguard Fiduciary Trust Company *	Vanguard International Growth Portfolio Fund	169	142	\$ 2,810,290	\$ 897,357	\$ 66,170

* Represents a party-in-interest

COVER

Exhibit 99(e)

UNION PACIFIC MOTOR FREIGHT COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Financial Statements and Supplemental Schedules
for the Years Ended December 31, 1996 and 1995
and Independent Auditors' Report

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UNION PACIFIC MOTOR FREIGHT COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

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

INDEPENDENT AUDITORS' REPORT

Union Pacific Motor Freight Company Agreement
Employee 401(k) Retirement Thrift Plan:

We have audited the accompanying statements of net assets available for benefits of the Union Pacific Motor Freight Company Agreement Employee 401(k) Retirement Thrift Plan (the Plan) as of December 31, 1996 and 1995 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, 1996 and 1995 and the changes in net assets available for benefits for the years ended December 31, 1996 and 1995 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 1996 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.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 4, 1997

UNION PACIFIC MOTOR FREIGHT COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLANSTATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
ASSETS:		
Investments at fair value (Note 3)	\$305,267	\$182,336
	-----	-----
Net assets available for benefits	\$305,267	\$182,336
	=====	=====

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

UNION PACIFIC MOTOR FREIGHT COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income (Note 7):		
Net appreciation in fair value		
of investments (Note 3)	\$ 41,561	\$ 32,848
Interest	1,324	779
Dividends	8,866	4,367
	-----	-----
	51,751	37,994
Employee contributions (Note 7)	90,667	82,198
	-----	-----
Total Additions	142,418	120,192
	-----	-----
DEDUCTION FROM NET ASSETS ATTRIBUTED TO:		
Distribution to participants (Note 7)	19,487	21,739
	-----	-----
NET INCREASE	122,931	98,453
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	182,336	83,883
	-----	-----
End of Year	\$305,267	\$182,336
	=====	=====

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

UNION PACIFIC MOTOR FREIGHT COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995

1. DESCRIPTION OF PLAN

The following description of the Union Pacific Motor Freight 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 Motor Freight 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, January 1, 1994. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions - Participants may contribute 2% to 8% of their compensation on a salary deferral basis subject to limitations specified in the Internal Revenue Code. 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.

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

Payment of Benefits - Distribution of benefits shall be in a lump sum no later than 60 days following the close of the plan year in which the participant's termination of employment occurs, subject to certain mandatory pay-outs to participants who have attained age 70-1/2, but have not yet terminated employment.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Investment Valuation and Income Recognition - Investments in the Union Pacific Company Stock Fund, Resources Stock Fund, Vanguard Wellington Fund, Vanguard Index Trust-500 Portfolio Fund, Vanguard U.S. Growth Fund, Vanguard International Growth Portfolio Fund and the Vanguard Total Bond Market Fund are valued at fair value as determined by quoted market prices. The investments in the Vanguard Investment Contract Trust Fund are valued at fair value as determined by Vanguard Fiduciary Trust Company.

Dividend income is recorded as of the ex-dividend date.
Security transactions are recorded as of the trade date.

3. INVESTMENTS

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

Fund A - Union Pacific Company 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 Resources stock fund is divided into fund shares, rather than shares of company stock.

Fund B - Vanguard Wellington Fund - This fund consists of investment in the Vanguard Wellington Mutual Fund.

Fund C - Vanguard Index Trust-500 Portfolio Fund - This fund consists of investment in the Vanguard Index Trust-500 Portfolio Mutual Fund.

Fund D - Vanguard Investment Contract Trust Fund - This fund consists of investment in the Vanguard Fiduciary Trust Company Investment Contract Trust, a collective investment fund for tax-qualified pension and profit sharing plan assets.

Fund E - Vanguard U.S. Growth Fund - This fund consists of investment in the Vanguard U.S. Growth Mutual Fund.

Fund F - Vanguard International Growth Portfolio Fund - This fund consists of investment in the Vanguard International Growth Portfolio Mutual Fund.

Fund G - Vanguard Total Bond Market Fund - This fund consists of investment in the Vanguard Total Bond Market Mutual Fund.

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

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

	December 31, 1996		December 31, 1995	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value Determined by Quoted Market Price:				
Union Pacific Company Stock Fund	9,832.248	\$ 96,946	6,341.668	\$ 68,743
Resources Stock Fund	3,303.817	\$ 34,657	--	--
Vanguard Wellington Fund	1,946.050	50,889	1,413.295	34,527
Vanguard Index Trust - 500 Portfolio Fund	1,143.817	79,106	912.077	52,536
Other	--	19,381	--	7,591
		-----		-----
		280,979		163,397
Investments at Estimated Fair Value:				
Vanguard Investment Contract Trust Fund	24,287.800	24,288	18,939.220	18,939
		-----		-----
		\$305,267		\$182,336
		=====		=====

	Years Ended December 31,	
	----- 1996	1995 -----
Net Change in Fair Value		
Investments at Fair Value as Determined by Quoted Market Price:		
Union Pacific Company Stock Fund	\$ 19,292	\$ 16,158
Resources Stock Fund	6,960	--
Mutual Funds	15,309	16,690
	-----	-----
Net change in fair value	\$ 41,561	\$ 32,848
	=====	=====

4. PLAN ADMINISTRATION

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

5. TAX STATUS

The Plan obtained a tax determination letter dated September 16, 1994, 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 requirement of the Internal Revenue Code. Therefore, it is believed that the Plan was qualified and the related trust was tax-exempt under provisions of Section 501(a) of the Internal Revenue Code as of the financial statement date. 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, 1996 and 1995:

	Year Ended December 31, 1996	Year Ended December 31, 1995
	-----	-----
Investment Income:		
Union Pacific Company Stock Fund	\$ 21,574	\$ 17,714
Resources Stock Fund	6,960	--
Vanguard Wellington Fund	6,260	7,079
Vanguard Index Trust - 500 Portfolio Fund	13,347	11,745
Vanguard Investment Contract Trust Fund	1,324	779
Vanguard U.S. Growth Fund	1,332	107
Vanguard International Growth Portfolio Fund	884	550
Vanguard Total Bond Market Fund	70	20
	-----	-----
	\$ 51,751	\$ 37,994
	=====	=====
Contributions:		
Union Pacific Company Stock Fund	\$ 32,459	\$ 32,700
Resources Stock Fund	--	--
Vanguard Wellington Fund	18,311	15,752
Vanguard Index Trust - 500 Portfolio Fund	22,102	21,093
Vanguard Investment Contract Trust Fund	8,292	7,364
Vanguard U.S. Growth Fund	4,909	1,088
Vanguard International Growth Portfolio Fund	3,104	3,740
Vanguard Total Bond Market Fund	1,490	461
	-----	-----
	\$ 90,667	\$ 82,198
	=====	=====
Distributions to participants:		
Union Pacific Company Stock Fund	\$ 3,532	\$ 8,744
Resources Stock Fund	259	--
Vanguard Wellington Fund	4,717	8,496
Vanguard Index Trust - 500 Portfolio Fund	10,303	4,239
Vanguard Investment Contract Trust Fund	676	--
Vanguard U.S. Growth Fund	--	68
Vanguard International Growth Portfolio Fund	--	192
Vanguard Total Bond Market Fund	--	--
	-----	-----
	\$ 19,487	\$ 21,739
	=====	=====

8. RELATED PARTY TRANSACTIONS

Plan investments include the Union Pacific Company Stock Fund which is invested primarily in the 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.

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.

9. SUBSEQUENT EVENTS

On March 1, 1997, the Company was purchased by Rail Terminal Services.

UNION PACIFIC MOTOR FREIGHT COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Item 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
DECEMBER 31, 1996

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
Union Pacific Company Stock Fund *	9,832.248 units	\$ 68,990	\$ 96,946
Resources Stock Fund	3,303.817 units	27,758	34,657
Vanguard Wellington Fund *	1,946.050 units	45,072	50,899
Vanguard Index Trust - 500 Portfolio Fund *	1,143.817 units	60,091	79,106
Vanguard Investment Contract Trust Fund *	24,287.800 units	24,288	24,288
Vanguard U.S. Growth Fund *	449.003 units	10,043	10,659
Vanguard International Growth Portfolio Fund *	405.792 units	6,128	6,679
Vanguard Total Bond Market Fund *	207.535 units	2,038	2,043
		-----	-----
		\$244,408	\$305,267
		=====	=====

* Represents a party-in-interest

UNION PACIFIC MOTOR FREIGHT COMPANY AGREEMENT EMPLOYEE
401(k) RETIREMENT THRIFT PLAN

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 1996

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 Company Stock Fund	30	6	\$46,841	\$9,793	\$ 834
Vanguard Fiduciary Trust Company *	Vanguard Wellington Fund	29	5	\$22,915	\$9,015	\$ 934
Vanguard Fiduciary Trust Company *	Vanguard Index Trust 500 Portfolio Fund	29	5	\$26,891	\$12,008	\$1,572
Vanguard Investment Trust Company *	Vanguard Investment Contract Trust Fund	41	5	\$15,251	\$9,902	\$ --

* Represents a party-in-interest

Exhibit 99(f)

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

Financial Statements and Supplemental Schedules
for the Years Ended December 31, 1996 and 1995
and Independent Auditors' Report

INDEX

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

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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, 1996 and 1995, 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, 1996 and 1995, 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 1996 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.

/s/ DELOITTE & TOUCHE LLP

Omaha, Nebraska
June 10, 1997

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 DECEMBER 31, 1996 AND 1995

	1996	1995
	-----	-----
ASSETS		
CASH AND SHORT TERM INVESTMENTS	\$ --	\$ 2,181,488
	-----	-----
INVESTMENTS, at fair value (Notes 3, 5, and 9)	101,413,931	78,230,963
INVESTMENTS, at contract value (Notes 3,6, and 9): Investment contract with insurance company	37,737,581	56,645,221
	-----	-----
Total Investments	139,151,512	134,876,184
	-----	-----
RECEIVABLES:		
Employer's contribution	--	5,717,530
Participants' contributions	--	107,898
Interest	--	1,174,864
	-----	-----
Total Receivables	--	7,000,292
	-----	-----
Total Assets	139,151,512	144,057,964
	-----	-----
LIABILITIES		
ACCRUED EXPENSES	--	77,072
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$139,151,512	\$143,980,892
	=====	=====

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, 1996 AND 1995

	1996	1995
	-----	-----
ADDITIONS TO NET ASSETS ATTRIBUTABLE TO:		
Investment income (Note 9):		
Net appreciation in fair value of investments	\$ 12,828,800	\$ 15,146,687
Interest and dividends	10,287,291	11,656,419
	-----	-----
	23,116,091	26,803,106
	-----	-----
Contributions (Note 9):		
Employer	--	5,937,720
Participants'	--	3,240,538
	-----	-----
	--	9,178,258
	-----	-----
Total Additions	23,116,091	35,981,364
	-----	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTABLE TO:		
Distributions to participants (Note 9)	27,923,207	21,223,637
Administrative expenses	--	77,072
	-----	-----
Total Deductions	27,923,207	21,300,709
	-----	-----
TRANSFERS TO SUPPLEMENTAL PENSION PLAN	22,264	504,472
	-----	-----
NET INCREASE (DECREASE)	(4,829,380)	14,176,183
	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of Year	143,980,892	129,804,709
	-----	-----
End of Year	\$139,151,512	\$143,980,892
	=====	=====

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, 1996 AND 1995

1. DESCRIPTION OF PROGRAM

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

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

Contributions - Participants may contribute up to 15% of their compensation on a salary or non-salary deferral basis subject to limitations specified in the Internal Revenue Code. The Company matches employee contributions at a rate of 20% computed on an amount up to the first 5% of the employee's salary contributed. This minimum employer contribution represents the first step in the method discussed below.

The amount of the Company's annual contribution is determined based upon the Company's profit, or, if larger, based upon the amount of the employee contributions. Employer contributions are allocated on a four step basis, subject to Internal Revenue Code limitations:

- 1) The employer contribution is allocated to those employees making employee contributions by matching up to 20% of the amount of each participant's employee contributions for each Program year up to a maximum base of 5% of the employee's salary contributed;
- 2) If any employer contribution remains unallocated, such amount is allocated to employees in proportion to the amount by which their compensation (to the salary maximum) exceeds the wage base subject to Railroad Retirement Tax, as defined in Section 3121a of the Internal Revenue Code, with a maximum employer contribution up to 11.4% (or, up to 12% if IRS regulations permit) of such excess amount for each Program year;
- 3) If any employer contribution remains unallocated, such amount is allocated to employees making employee contributions by matching up to 20% of the amount of each participant's employee contributions for each Program year up to a maximum base of 5% of the employee's salary contributed;
- 4) If any employer contribution remains unallocated, such amount is allocated in proportion to each employee's total compensation (up to the salary maximum) for each Program year.

As indicated above, step (2) in the employer contribution allocation formula can provide up to 11.4% of the pay received by a participant in excess of the Railroad Retirement Tax taxable wage base. This is the only step of the allocation formula which integrates with Railroad Retirement.

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.

Vesting - A participant is fully vested if he/she:

- 1) Reached his/her 65th birthday; or
- 2) Is involuntarily terminated without cause as determined by the Program Administrator, in accordance with established Company policies if such termination occurs on or after his/her 60th birthday; or
- 3) Reached his/her 60th birthday and has at least 5 years of service; or
- 4) Has a disability or dies; or
- 5) Has a termination of employment on account of a force reduction; or
- 6) Has five years of service

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

2. PROGRAM AMENDMENTS

Effective October 24, 1995, the Program was amended such that, the Program was frozen effective December 31, 1995. No new participants were allowed in the Program after December 31, 1995. Except for contributions made in 1996 with respect to 1995 in the customary manner of the prior Program as in effect during 1995, there will be no contributions made to the Program after December 31, 1995. Effective January 1, 1995 participants were fully vested in amounts credited to their account.

Effective July 15, 1996, the Program was amended and restated. Program investment options were increased from four to ten. The ten available options are the Union Pacific Common Stock Fund (Company Stock), the Union Pacific Equity Index Fund (Equity Index), the Union Pacific Fixed Income Fund (Fixed Income), the Vanguard Bond Market Fund (Bond Index), the Vanguard Market Reserves - Prime Portfolio Fund (VMMR Prime Portfolio), the Wellington Fund (Wellington), the Vanguard World Fund - U.S. Growth Portfolio (U.S. Growth), the Vanguard World Fund - International Growth Portfolio (International Growth), the Vanguard Windsor Fund (Windsor) and the NWNL Guaranteed Investment Contract Fund (NWNL GIC). In conjunction with the amendment and restatement, Program assets, except for the investment contract with our 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 principle 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 Plan administrator. Principal and interest is paid ratably, generally through monthly payroll deductions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Investment Valuation and Income Recognition - 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 5 for securities that have no quoted market price represent estimated fair value as determined by Vanguard Fiduciary Trust Company. Purchases and sales of securities are recorded on the trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend basis.

Administrative Expenses - All administrative expenses of the Program with the exception of investment management fees are paid by the Company. Investment management fees are paid by the Program.

Reclassifications - Certain 1995 amounts have been reclassified to conform to the 1996 financial statement presentation.

4. RESOURCES STOCK FUND

In September 1996, The Company's Board of Directors declared a special dividend consisting of the shares of Union Pacific Resources Group ("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 shareholders 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 Fund. The shares received have been placed in the Resources Stock Fund ("Resources Stock"). Future contributions to Resources Stock Fund are not permitted.

5. INVESTMENTS

At December 31, 1996, Program investments were maintained in commingled funds of the Plan Trustee along with investments of another Company-administered Thrift Plan, within a Master Trust. 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. At December 31, 1996, the Program held percentage interests in the Master trust of 0.50 in Company Stock, 0.40 in Resources Stock, 100.0 in Windsor, 22.90 in Equity Index, 1.60 in Fixed Income, 8.10 in the Loan Fund, 2.50 in Wellington, 5.10 in U.S. Growth, 13.30 in the VMMR Prime Portfolio, 1.50 in International Growth, and 0.00 in Bond Index.

At December 31, 1996, the total investments at fair value of the Master Trust was \$577,591,251. In addition, total net appreciation in fair value of investments and total interest and dividends of the Master Trust were \$86,837,354 and \$28,728,709, respectively, for the year ended December 31, 1996.

At December 31, 1996, Company Stock is invested primarily in Union Pacific Common Stock. Equity Index is invested in the Vanguard Index Trust 500 Portfolio Fund at December 31, 1996, which is designed to

closely track the investment performance of the Standard and Poors' 500 Composite Stock Index. At December 31, 1996, Fixed Income is comprised of investments in GICs bearing interest at 5.19% to 7.85%. Interest rates are fixed for the life of each contract. GICs are held with insurance companies rated at least A-1 by Standard & Poors. The maturities of these GICs range from 1-3 years and their principal and interest are unconditionally guaranteed by the respective insurance companies. The fair value of the GIC's approximates their contract value. At December 31, 1996, Fixed Income is also comprised of the Vanguard Investment Contract Trust, which is comprised of contracts issued by financial institutions and backed by high quality bonds and bond mutual funds. As the GICs expire, the proceeds will be reinvested in the Vanguard Investment Contract Trust. Wellington is invested in the Vanguard/Wellington Fund at December 31, 1996, which is comprised of common stocks and fixed-income securities. At December 31, 1996, U.S. Growth is invested in Vanguard U.S. Growth Fund which is comprised of established U.S. growth stocks. International Growth is invested in the Vanguard International Growth Portfolio at December 31, 1996, which is comprised of foreign common stocks with high growth potential. At December 31, 1996, Bond Index is invested in the Vanguard Total Bond Market Fund which is designed to closely track the investment performance of the Salomon Brothers Broad Investment-Grade Bond Index. At December 31, 1996, VMMR Prime Portfolio 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. At December 31, 1996, Windsor is invested in the Vanguard Windsor Fund, a diversified fund invested and reinvested primarily in shares of stocks of companies. At December 31, 1996, NWNL GIC is primarily invested in an investment contract with Northwestern National Life Insurance Company (See Note 6). At December 31, 1996, Resources Stock is invested primarily in Resources common stock.

Prior to amendment effective July 15, 1996, Program participants could direct their contributions in various proportions to either Fund B or Fund C. Participant unmatched contributions prior to 1987 could be invested in either Fund D or Fund E, in accordance with participant directions.

Fund B - Based upon Program guidelines, this Fund was invested in common stocks, similar equity securities, or other similar investments including, but not limited to, bank pooled or common funds, mutual funds or insurance company separate accounts. At December 31, 1995, assets in this Fund were invested primarily in Vanguard Windsor Fund Incorporated and Vanguard Index Trust 500 Portfolio mutual funds.

Fund C - Based upon Program guidelines, this Fund was invested in contracts issued by an insurance company, and upon determination by the Board of Directors, could also include, but not be limited to, guaranteed income contracts, group annuity contracts, immediate participation guarantee contracts, or deposit administration contracts. At December 31, 1995, assets in this Fund were invested primarily in a guaranteed insurance contract with Northwestern National Life Insurance Company.

Fund D - Based upon Program guidelines, this Fund was invested in the Windsor Fund maintained by the Vanguard Group of Investment Companies.

Fund E - Based upon the Program guidelines, this Fund was invested primarily in the Vanguard Money Market Reserves Prime Portfolio.

Except for its investment contract with an insurance company included in the NWNL GIC fund at December 31, 1996 and included in Fund C at December 31, 1996 (Note 6), the following table presents the fair value of investments. Investments that represent 5% or more of the Program's net assets are separately identified.

	December 31, 1996		December 31, 1995	
	Number of Units	Fair Value	Number of Units	Fair Value
Investments at Fair Value as Determined by Quoted Market Price:				
Vanguard Windsor Fund Incorporated	--	\$ --	3,841,686	\$55,819,700
Vanguard Index Trust 500 Portfolio	--	--	376,241	21,795,663
Common stock	--	--	9,250	410,469
		-----	--	-----
				78,025,832
Investments at Estimated Fair Value:				
Program interest in Master Trust	--	101,413,931	--	--
Vanguard Money Market Reserves	--	--	205,131	205,131
		-----		-----
		\$101,413,931		\$78,230,963
		=====		=====

6. INVESTMENT CONTRACT WITH INSURANCE COMPANY

The Program has entered into a benefit responsive investment contract with Northwestern National Life Insurance Company (Northwestern National). This contract is included in the financial statements at contract value, which approximates fair value. Contract value represents contributions made under the contract, plus earnings, less Program withdrawals and administrative expenses. Northwestern National maintains the contributions in a pooled account. The crediting interest rate under this contract at December 31, 1996 and 1995, and for the years then ended was 7% and 8%, respectively. Under this contract a penalty may be incurred for early withdrawal from the contract by the plan sponsor, plan termination and various other employer initiated events.

7. TAX STATUS

The Program obtained a tax determination letter dated April 16, 1996, in which the Internal Revenue Service stated that the Program, as amended through October 24, 1995, was in compliance with the applicable requirements of the Internal Revenue Code (the Code). The Program has been amended since receiving the determination letter. However, Program management believes that the program currently is being operated in compliance with the applicable requirement of the Internal Revenue Code. Therefore, it is believed that the Program was qualified and the related trust was tax-exempt under provisions of Section 501(a) of the Internal Revenue Code as of the financial statement date. Therefore, no provision for income taxes has been included in the Program's financial statements.

8. PROGRAM TERMINATION

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

9. FUND INFORMATION

Net assets available for benefits, participant contributions, withdrawals and investment income by fund are as follows for the years ended December 31, 1996 and 1995:

	1996	1995
	-----	-----
Net assets available for benefits:		
Company stock	\$ 653,871	\$ --
Equity index	27,110,164	--
Fixed income	1,482,186	--
Bond index	169	--
VMMR Prime Portfolio	304,040	--
Wellington	777,296	--
U.S. Growth	1,436,948	--
International Growth	371,142	--
Windsor	67,652,196	--
NWNL GIC	37,737,581	--
Resources stock	211,718	--
Loan Fund	1,414,201	--
Fund B	--	82,326,722
Fund C	--	60,388,841
Fund D and E	--	1,265,329
	-----	-----
Total	\$139,151,512	\$143,980,892
	-----	-----
Employer contributions:		
Company stock	\$ --	\$ --
Equity index	--	--
Fixed income	--	--
Bond index	--	--
VMMR Prime Portfolio	--	--
Wellington	--	--
U.S. Growth	--	--
International Growth	--	--
Windsor	--	--
NWNL GIC	--	--
Resources stock	--	--
Loan Fund	--	--
Fund B	--	3,806,945
Fund C	--	2,130,775
Fund D and E	--	--
	-----	-----
Total	\$ --	\$ 5,937,720
	-----	-----
Participant's contributions:		
Company stock	\$ --	\$ --
Equity index	--	--
Fixed income	--	--
Bond index	--	--
VMMR Prime Portfolio	--	--
Wellington	--	--
U.S. Growth	--	--
International Growth	--	--
Windsor	--	--
NWNL GIC	--	--
Resources stock	--	--
Loan Fund	--	--
Fund B	--	2,175,610
Fund C	--	1,064,928
Fund D and E	--	--
	-----	-----
Total	\$ --	\$ 3,240,538
	-----	-----

Distribution to participants:

Company stock	\$ --	\$ --
Equity index	277,582	--
Fixed income	--	--
Bond index	--	--
VMMR Prime Portfolio	17,424	--
Wellington	--	--
U.S. Growth	--	--
International Growth	--	--
Windsor	714,074	--
NWNL GIC	1,259,788	--
Resources stock	--	--
Loan Fund	--	--
Fund B	13,724,297	10,506,455
Fund C	11,844,618	10,649,493
Fund D and E	85,424	67,689
	-----	-----
Total	\$27,923,207	\$21,223,637
	-----	-----

Investment income:

Company stock	\$ 116,708	\$ --
Equity index	4,083,412	--
Fixed income	13,144	--
Bond index	181	--
VMMR Prime Portfolio	7,941	--
Wellington	38,184	--
U.S. Growth	55,671	--
International Growth	14,216	--
Windsor	10,918,491	--
NWNL GIC	993,921	--
Resources stock	3,873	--
Loan Fund	22,975	--
Fund B	4,885,681	21,814,453
Fund C	1,905,907	4,725,544
Fund D and E	55,786	263,109
	-----	-----
Total	\$ 23,116,091	\$ 26,803,106
	=====	=====

10. MERGER AGREEMENT

On March 16, 1995, the Corporation executed a definitive merger agreement pursuant to which it acquired the remaining 71.6% of the Chicago and North Western Transportation Company's (CNW) stock. Under this agreement the Corporation initiated a tender offer on March 23, 1995 and completed the acquisition of the CNW on April 24, 1995. As a result of the acquisition, and effective April 24, 1995, the Program is being administered by the Senior Vice President, Human Resources of the Corporation.

11. RELATED PARTY TRANSACTIONS

Program investments include the Union Pacific Company Stock Fund which is invested primarily in the 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.

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

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

Item 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 YEAR ENDED DECEMBER 31, 1996

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-135969-1-0101	Group annuity contract fund 37,737,581 shares	\$37,737,581	\$37,737,581

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

Item 27d - SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 1996

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)
LaSalle National Trust *	Short-Term Investment Fund	\$8,265,483	\$ --	\$8,265,483	\$8,265,483	\$ --
LaSalle National Trust *	Short-Term Investment Fund	\$9,102,182	\$ --	\$9,102,182	\$9,102,182	\$ --
LaSalle National Trust *	Short-Term Investment Fund	\$ --	\$9,105,020	\$9,105,020	\$9,105,020	\$ --
LaSalle National Trust *	Short-Term Investment Fund	\$ --	\$8,262,422	\$8,262,422	\$8,262,422	\$ --
Northwestern National Life Insurance Company, Contract #GA-13569-1-001	Group Annuity Contract Fund	\$ --	\$8,265,483	\$8,265,483	\$8,265,483	\$ --

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	Dollar Number of Sales	Dollar Value of Purchases	Value of Sales	Net Gain or (Loss)
Vanguard Fiduciary Trust Company *	Windsor Fund Incorporated	8	13	\$10,979,015	\$9,575,418	\$1,307,354
Vanguard Fiduciary Trust Company *	Index Trust 500 Portfolio	11	10	\$ 6,065,435	\$4,079,254	\$1,001,804
Northwestern National Life Insurance Company Contract #GA-13569-1-001	Group Annuity Contract Fund	44	76	\$6,177,865	\$25,084,905	\$ --
LaSalle National Trust *	Short-Term Investment Fund	58	45	\$50,890,874	\$53,073,362	\$ --

*Represents a party-in-interest

Exhibit 99(g)

SOUTHERN PACIFIC RAIL CORPORATION THRIFT PLAN
Financial Statements and Supplemental Schedules
(Modified Cash Basis)
December 31, 1996 and 1995

(With Independent Auditors' Report Thereon)

INDEX

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Financial Statements and Supplemental Schedules
(Modified Cash Basis)

December 31, 1996 and 1995

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Independent Auditors' Report

The Thrift Plan Committee
Southern Pacific Rail Corporation Thrift Plan:

We have audited the accompanying statements of net assets available for plan benefits (modified cash basis) of Southern Pacific Rail Corporation Thrift Plan (the Plan) as of December 31, 1996 and 1995, and the related statements of changes in net assets available for plan benefits (modified cash basis) for the years then ended, and the supplemental schedules as listed in the accompanying table of contents. These financial statements and supplemental schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and supplemental schedules 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.

As described in note 2(a), these financial statements and supplemental schedules were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Southern Pacific Rail Corporation Thrift Plan as of December 31, 1996 and 1995, and changes in net assets available for benefits for the years then ended, on the basis of accounting described in note 2(a).

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of (1) Item 27a - Schedule of Assets Held for Investment Purposes (Modified Cash Basis), and (2) Item 27d - Schedule of Reportable Transactions (Modified Cash Basis) 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. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG Peat Marwick LLP

San Francisco, California
June 20, 1997

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Statements of Net Assets Available for Plan Benefits
(Modified Cash Basis)

December 31, 1996 and 1995

	1996	1995
	-----	-----
Assets:		
Investments, at fair value (Note 3):		
Common stock fund	\$ 2,707,119	2,148,384
Commingled funds	62,546,639	43,290,298
Short-term investments	4,443,075	3,010,085
	-----	-----
	69,696,833	48,448,767
Investments, at contract value (note 3):		
Fixed income annuity contracts	118,576,813	127,786,622
	-----	-----
Total investments	188,273,646	176,235,389
Receivable from broker	19,417	8,726
Investment income receivable	695,265	730,618
	-----	-----
Total assets	\$188,988,328	\$176,974,733
	-----	-----
Liabilities:		
Unsettled stock sale	1,412	6,815
	-----	-----
Net assets available for plan benefits	\$188,986,916	\$176,967,918
	=====	=====

See accompanying notes to financial statements

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN
Statements of Changes in Net Assets Available for Plan
Benefits
(Modified Cash Basis)

Years ended December 31, 1996 and 1995

	1996	1995
	-----	-----
Additions to net assets attributed to:		
Investment income:		
Interest	\$ 8,325,983	\$ 8,929,902
Dividends	14,673	25
Net appreciation in fair value of investments (Note 3)	9,741,416	11,757,093
	-----	-----
Total investment income	18,082,072	20,687,020
	-----	-----
Contributions:		
Employer	2,816,930	2,908,910
Participants	6,507,155	6,645,656
	-----	-----
Total contributions	9,324,085	9,554,566
	-----	-----
Total additions	27,406,157	30,241,586
	-----	-----
Deductions from net assets attributed to:		
Distributions to participants - cash	14,963,502	15,021,561
Distributions to participants - non-cash	--	10,649,546
Investment and administrative expenses	423,657	345,212
	-----	-----
Total deductions	15,387,159	26,016,319
	-----	-----
Increase in net assets available for plan benefits	12,018,998	4,225,267
	-----	-----
Net assets available for plan benefits:		
Beginning of year	176,967,918	172,742,651
	-----	-----
End of year	\$188,986,916	\$176,967,918
	=====	=====

See accompanying notes to financial statements.

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Notes to Financial Statements
(Modified Cash Basis)

(1) Description of Plan

(a) General

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

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).

Southern Pacific Transportation Company's employees not subject to a collective bargaining agreement and not paid on an hourly basis are eligible to participate in the Plan any time after the first anniversary of their employment if they have not incurred a break in service. 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.

On February 1, 1994, the Plan amended its eligibility requirement, allowing new employees to participate immediately in the Thrift Plan and to accept rollovers.

(b) Contributions

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

(c) Participant's Accounts

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

(d) Vesting

Participant and employer contributions are fully vested when made.

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Notes to Financial Statements
(Modified Cash Basis)

(e) Investment Options

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

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

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

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

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

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

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

Participants may change their investment options monthly.

Effective December 31, 1994 SFP Stock and SFP subsidiary stock (which was held in the SFPAC stock fund) was eliminated from the plan as an investment option. Each participant whose account was invested in that fund was permitted to elect to withdraw, in kind, shares of stock with a fair market value equal to the total value allocated to the participants After-Tax Contributions Account and Company matching contributions account as of the date of withdrawal. All such shares not withdrawn were sold and the proceeds were invested in the Fixed Investment Fund.

(f) Resources Stock Fund

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

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Notes to Financial Statements
(Modified Cash Basis)

(g) 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 or 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.

(h) Investment Management Fee and Administrative Expenses

In 1996 and 1995 respectively, the Plan paid investment management fees of \$418,047 and \$304,230. Administration expenses paid totaled \$5,610 and \$40,982 respectively. The majority of administrative expenses in both 1996 and 1995 were paid by the Company.

(i) Plan Termination

SPRC may terminate the Plan at any time. In the event of termination, Plan net assets will be allocated and distributed to the participants based on their respective account balances.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Investment Valuation and Income Recognition

The plan's assets are stated at fair value except for its investment contracts which are valued at contract value. Shares of commingled funds are valued at quoted market prices which represent the net asset value of shares held by the plan at year end. The stock is valued at its quoted market price. The investment contracts held in the fixed investment fund are fully benefit responsive and as such are valued at contract value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals. Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The difference between cost and market value from one period to the next is recognized a net appreciation in fair value of investments in the accompanying state of changes in net assets available for benefits.

(c) Use of Estimates

The preparation of the financial statements requires management to make certain 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 income and expenses during the reporting period. Actual results could differ from those estimates.

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Notes to Financial Statements
(Modified Cash Basis)

(3) Investments

Chase Manhattan Bank, trustee of the plan, held the Plan's investments and executed transactions therein. The following table presents the fair value of the underlying investments at December 31, 1996 and 1995. Investments that represent 5% or more of the Plan's net assets are separately identified.

	December 31,	
	1996	1995
Fixed income annuity contracts, at contract value:		
Allstate Life Insurance Company:		
Group Annuity Contract No. 5572, 6.45%, April 1, 1999	\$ 5,918,697	\$ 5,560,072
Group Annuity Contract No. 5607, 7.32%, June 1, 1999	1,036,254	1,036,054
CDC Investment Management Company:		
Contract No. 114-01, 6.62%, April 15, 1998	5,088,226	5,088,338
Canada Life Assurance Company:		
Contract No. 45842, 7.17%, July 1, 1999	5,146,283	5,144,331
Commonwealth Life Insurance Co.:		
ADA-00288-ST, floating interest rate, perpetual with 30 day notice for termination	3,482,213	3,288,032
Continental Life Assurance Co.:		
Group Annuity Contract No. 12664, 8.51%, May 1, 1997	2,631,544	4,849,691
Group Annuity Contract No. 12750, 7.08%, March 29, 1996	--	6,472,139
Group Annuity Contract No. 3000-11D, 7.86%, January 12, 1996	--	93,425
John Hancock Mutual Life Insurance Co.		
Guaranteed Investment Contract No. 7942, 6.56%, May 1, 2004	5,450,114	5,113,392
Insurance Contract No. 7767, variable rate, February 1, 2000	3,014,309	502,272

*Indicates asset is greater than 5% of net assets available for plan benefits at beginning of the year.

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Notes to Financial Statements
(Modified Cash Basis)

	December 31,	
	1996	1995
Insurance Contract No. 8653, 6.54%, November 22, 1999	\$ 5,046,206	\$ --
Mass Mutual Insurance Co.:		
Guaranteed Investment Contract No. 10479, 6.88%, July 5, 2002	4,586,252	5,349,948
Guaranteed Investment Contract No. 10744, 6.11%, July 5, 2002	7,716,349	8,867,525
Metropolitan Life Insurance Co.: Group Annuity Contract		
No. 12500, 8.18%, September 2, 1996	--	4,743,721
Group Annuity Contract No. 14018, 7.6%, January 2, 2001	3,313,839	2,140,405
New York Life Insurance Co.:		
Group Annuity Contract No. 06200, 8.35%, May 13, 1996	--	5,230,423
Group Annuity Contract No. 06497, 6.98%, February 2, 1997	5,287,973	5,287,805
Group Annuity Contract No. 06497-004, 6.65%, October 31, 1995	6,008,666	--
Peoples Security Life Insurance Co.:		
Contract No. 00064TR-4, 7.87%, July 20, 1999	4,971,858	4,968,837
Contract No. 00064TR-3, 6.14%, February 25, 1998	3,950,794	4,881,605
Contract No. 00064TR-2, 6.45%, November 15, 2000	4,841,077	4,805,026
Contract No. 00064TR-1, 6.17%, May 17, 1999	4,906,845	4,869,542
Provident Life and Accident Insurance Co. Contract		
No. 630-05805*, 7.00%, various maturity dates through July 31, 1997	20,831,515	20,835,513
Prudential Insurance Co.:		
Group Annuity Contract No. 748715, 6.16%, September 30, 1998	1,236,058	2,046,495
Group Annuity Contract No. 7375, 7.31%, April 18, 1996	--	6,382,539
Group Annuity Contract No. 7395-212, 7.05%, April 18, 1996	\$ --	\$ 4,425,824

*Indicates asset is greater than 5% of net assets available for plan benefits at beginning of the year.

	December 31,	
	1996	1995
Prudential Investments - MBIA Group Annuity Contract No. 7375-211, 7.31%, July 25, 1997	\$ 3,407,298	\$ --
Group Annuity Contract No.7375-212 7.05%, December 1, 1998	4,737,845	--
Sun Life Assurance Co.: Contract No. S-0905-G, 7.28%, June 10, 1999	5,966,598	5,561,706
Traveler's Insurance Co.: Group Annuity Contract No. 13999, 8.20%, March 1, 1996	--	241,962
Total fixed income annuity contracts	118,576,813	127,786,622
Common Stock Fund, at market value:		
Southern Pacific Rail Corporation	--	2,148,384
Union Pacific Corporation	2,078,341	--
Union Pacific Resources Group	628,778	--
Total common stock fund	2,707,119	2,148,384
Commingled Funds, at market value:		
Value Equity Fund:		
Invesco Institutional Series Trust Equity Fund*	34,779,427	26,940,068
Balanced Fund:		
Invesco Institutional Series Trust Flex Fund*	16,683,492	11,050,017
Growth Equity Fund:		
Invesco Common Stock Fund	7,495,640	3,156,291
International Equity Fund: CGTC International Non-U.S. Equity Record	3,588,080	2,143,922
Total commingled funds	62,546,639	43,290,298
Short term investments, at market value:		
Chase Temporary Investment Fund	4,443,075	3,010,085
Total investments	\$188,273,646	\$176,235,389

*Indicates asset is greater than 5% of net assets available for plan benefits at beginning of the year.

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Notes to Financial Statements
(Modified Cash Basis)

Net appreciation in the fair value of the Plan's investments (including investments bought, sold, as well as held during the year) for the years ended December 31, 1996 and 1995 is summarized as follows:

	1996 -----	1995 -----
Common stock	\$ 695,489	\$ 496,813
Commingled funds	9,045,927	11,260,278
	-----	-----
	\$ 9,741,416	\$11,757,091
	=====	=====

(4) Tax Status

The Plan was amended on April 9, 1995. This revision amended and restated the Plan to reflect changes required by the Tax Reform Act of 1986. The Plan received a favorable determination letter from the Internal Revenue Service on February 8, 1996 which stated that the Plan is qualified under the provisions of Section 401(a) of the Internal Revenue Code, as amended, and exempt from federal income taxes under Section 501(a).

(5) Related Party Transaction

Certain Plan investments are shares of temporary investment funds managed by Chase Manhattan Bank. Chase Manhattan Bank is the trustee as defined by the Plan, by the Plan and qualifies as a party-in-interest. Investment and administrative expenses paid to the trustee by the Plan amounted to \$4,500 and \$12,364 for the year ended December 31, 1996 and 1995, respectively. In addition, as of September 11, 1996 (the merger date) the Plan held stock issued by Union Pacific Corporation. Prior to the merger, the Plan held stock issued by the Plan sponsor, Southern Pacific Rail Corporation (Note 6).

(6) Merger with Union Pacific

On September 11, 1996, a subsidiary of Union Pacific Corporation (UPC) completed its acquisition of SPRC through an exchange of cash and UPC stock for all of the outstanding shares of SPRC not already owned by UPC. As a result, SPRC shares owned by the Plan were exchanged for a combination of cash and UPC stock. The 90,162 shares owned by the Plan were converted into 25,601 shares of UPC stock and \$679,525 of cash was transferred to the Fixed Investment Fund. Also, the Plan was amended to permit Plan participants to invest in UPC stock to replace the previous option to invest in SPRC stock. Therefore, the common stock fund represents shares of UPC at December 31, 1996 and shares of SPRC at December 31, 1995.

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLANNotes to Financial Statements
(Modified Cash Basis)

(7) Voluntary Compliance Resolution Applications

In December of 1996, the Plan administrator filed a Voluntary Compliance Resolution (VCR) application with the Internal Revenue Service relating to operational defects of the Plan. The defects identified are 1) the existence of unallocated amounts in a suspense account resulting from the transfer of assets and liabilities from the Santa Fe Southern Pacific Savings and Investment Plan, 2) contributions made on behalf of one participant exceeded the limit under Section 415 of the Internal Revenue Code of 1986, 3) in two instances, the Plan administrator ceased making installment payments to participants at their request without making an immediate lump sum distribution as required under the Plan, 4) one participant received an overpayment, and 5) the Plan administrator incorrectly calculated the installment payments for one participant and began commencement of the installment payments two months late. The IRS had not yet responded to this VCR application. The Plan administrator is currently in the process of reviewing the Plan activity, determining the necessary corrections and the magnitude of those corrections. The Plan administrator expects that the proposed corrections will be accepted by the IRS with no adverse implications to the Plan's tax status.

In October 1994, the Plan Administrator filed a Voluntary Compliance Resolution (VCR) application with the IRS relating to the failure to timely distribute the minimum distribution required under section 401(a)(9) to one employee. The Plan sponsor corrected the situation by distributing to the employee from her account the required amounts due of approximately \$66,158. During 1996 the VCR application and proposed correction was accepted by the IRS with no adverse implications to the Plan's tax status.

(8) Subsequent Event

Effective May 1997, the Plan changed the Trustee and Administrator of the Plan from Chase Manhattan and Howard Johnson, respectively, to Vanguard. The Plan's assets were transferred to Vanguard in May 1997.

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLAN

Notes to Financial Statements
(Modified Cash Basis)

(9) Fund Information

Investments, investment income, contributions and distributions to participants by fund are as follows for the years ended December 31, 1996 and 1995:

	Year Ended December 31, 1996 -----	Year Ended December 31, 1995 -----
Investments:		
Fixed Investment Fund	\$123,019,888	\$130,769,265
Value Equity Fund	34,779,427	26,940,068
Balanced Fund	16,683,492	11,050,017
International Equity Fund	3,588,080	2,143,922
Stock Fund	2,078,775	2,175,826
Resources Stock Fund	628,344	--
Growth Equity Fund	7,495,640	3,156,291
	-----	-----
	\$188,273,646	\$176,235,389
	-----	-----
Investment Income:		
Fixed Investment Fund	\$ 8,325,983	\$ 8,854,248
Value Equity Fund	5,705,655	6,453,492
SFPAC Stock Fund	--	2,097,637
Balanced Fund	2,011,292	2,096,786
International Equity Fund	385,150	244,050
Stock Fund	701,234	502,259
Resources Stock Fund	8,928	--
Growth Equity Fund	943,830	438,548
	-----	-----
	\$ 18,082,072	\$ 20,687,020
	-----	-----
Contributions:		
Fixed Investment Fund	\$ 5,148,402	\$ 5,937,853
Value Equity Fund	2,105,276	2,070,458
SFPAC Stock Fund	--	--
Balanced Fund	1,083,166	922,664
International Equity Fund	307,963	219,556
Stock Fund	134,221	139,387
Resources Stock Fund	--	--
Growth Equity Fund	545,057	264,648
	-----	-----
	\$ 9,324,085	\$ 9,554,566
	-----	-----
Distributions to Participants:		
Fixed Investment Fund	\$ 12,255,829	\$ 12,358,036
Value Equity Fund	1,731,128	1,608,570
SFPAC Stock Fund	--	11,104,648
Balanced Fund	644,223	386,990
International Equity Fund	67,148	60,238
Stock Fund	52,701	71,246
Resources Stock Fund	--	--
Growth Equity Fund	212,473	81,379
	-----	-----
	\$ 14,963,502	\$ 25,671,107
	-----	-----

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLANItem 27a - Schedule of Assets Held for Investment Purposes
(Modified Cash Basis)

Year ended December 31, 1996

Description of Investment	Cost basis	Current value
Investment Contracts:		
Fixed Investment Fund:		
Allstate Life Insurance Company	6.45% investment contract due April 1, 1999	\$ 5,918,697 \$ 5,918,697
Allstate Life Insurance Company	7.32% investment contract due June 1, 1999	1,036,254 1,036,254
CDC Investment Management Company	6.62% investment contract due April 15, 1998	5,088,226 5,088,226
Canada Life Assurance Company	7.17% investment contract due July 1, 1999	5,146,283 5,146,283
Commonwealth Life Insurance Company	Floating rate contract, 30 day termination notice	3,482,213 3,482,213
Continental Life Assurance Company	8.51% investment contract due May 1, 1997	2,631,544 2,631,544
John Hancock Mutual Life Insurance Company	6.56% investment contract due May 1, 2004	5,450,114 5,450,114
John Hancock Mutual Life Insurance Company	Variable rate investment contract due February 1, 2000	3,014,309 3,014,309
John Hancock Mutual Life Insurance Company	6.54% investment contract due November 22, 1999	5,046,206 5,046,206
Mass Mutual Insurance Company	Variable investment contract due July 5, 2002	4,586,252 4,586,252
Mass Mutual Insurance Company	Variable investment contract due July 5, 2002	7,716,349 7,716,349
Metropolitan Life Insurance Company	6.8% investment contract due January 2, 2001	3,313,839 3,313,839
New York Life Insurance Company	7.33% investment contract due February 3, 1997	5,287,973 5,287,973
New York Life Insurance Company	6.94% investment contract due February 25, 1998	6,008,666 6,008,666
Peoples Security Life Insurance Company	6.45% investment contract due May 1, 1997	3,950,794 3,950,794
Peoples Security Life Insurance Company	6.14% investment contract due May 1, 1997	4,906,845 4,906,845
Peoples Security Life Insurance Company	6.17% investment contract due April 25, 1997	4,841,077 4,841,077
Peoples Security Life Insurance Company	7.87% investment contract due April 25, 1997	4,971,858 4,971,858
Provident Life and Accident Insurance Company	Investment contract due	20,831,515 20,831,515

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLANItem 27a - Schedule of Assets Held for Investment Purposes
(Modified Cash Basis)

Year ended December 31, 1996

Description of Investment	Cost basis	Current value

Prudential Insurance Company 6.16% investment contract due September 30, 1998	\$ 1,236,058	\$ 1,236,058
Prudential Insurance Company 7.31% investment contract due July 25, 1997	3,407,298	3,407,298
Prudential Insurance Company 7.05% investment contract due December 1, 1997	4,737,845	4,737,845
Sun Life Assurance Company 7.28% investment contract due June 10, 1999	5,966,598	5,966,598
	-----	-----
Total investment contracts	118,576,813	118,576,813
	-----	-----
Common stock:		
Union Pacific Corporation ** 34,567 shares of common stock	1,367,637	2,078,341
Union Pacific Res. Group Inc. **21,682 Shares of Stock	394,336	628,778
	-----	-----
Total common stock	1,761,973	2,707,119
	-----	-----
Commingled Funds:		
Value Equity Fund:		
Invesco Institutional Series Trust Equity Fund 1,306,024.30 shares of commingled fund	23,454,779	34,779,427
Balanced Fund:		
Invesco Institutional Series Trust Flex Fund 631,950.44 shares of commingled fund	12,784,799	16,683,492
Growth Equity Fund:		
Invesco Common Stock Fund 182,021.37 shares of commingled fund	6,190,402	7,495,640
International Equity Fund:		
CGTC International Non-U.S. Equity Record 269,375.36 shares of commingled fund	3,029,283	3,588,080
	-----	-----
Total commingled funds	45,459,263	62,546,639
	-----	-----

**Includes party-in-interest

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLANItem 27a - Schedule of Assets Held for Investment Purposes
(Modified Cash Basis)

Year ended December 31, 1996

Description of Investment	Cost basis	Current value
-----	-----	-----
Temporary Investment Funds:		
Chase Temporary Investment Fund:		
Domestic Liquidity Fund	\$ 4,443,075	\$ 4,443,075
	-----	-----
Total Temporary Investment Funds	4,443,075	4,443,075
	-----	-----
Total Investments	\$170,241,124	\$188,273,646
	=====	=====

**Includes party-in-interest

SOUTHERN PACIFIC RAIL CORPORATION
THRIFT PLANItem 27d - Schedule of Reportable Transactions
(Modified Cash Basis)

Year ended December 31, 1996

Issuer -----	Name -----	Transaction type -----	Cost -----	Purchase/ sales/ price -----	Gain/ (loss) -----	Number of transactions -----
Chase Bank	Domestic Liquidity Fund	Purchase	\$ 36,421,820	--	--	149
		Sale	34,989,193	34,989,193	--	83

Note: Reportable transactions are included as defined in 29 CFR 2520.103-6 of the Department of Labor's Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974. In general terms, reportable transactions are those transactions, or series of transactions when aggregated within the plan year, which involve an amount in excess of 5% of net assets available for plan benefits as of the beginning of the year.