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

FORM 10-K

(Mark One)

[X] 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, 1995

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-6075

UNION PACIFIC CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

UTAH	13-2626465
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
MARTIN TOWER, EIGHTH AND EATON AVENUES BETHLEHEM, PENNSYLVANIA	18018
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(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.
4 3/4% Convertible Debentures Due 1999	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 X 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. [X].

AS OF FEBRUARY 29, 1996, THE AGGREGATE MARKET VALUE OF THE REGISTRANT'S COMMON STOCK HELD BY NON-AFFILIATES (USING THE NEW YORK STOCK EXCHANGE CLOSING PRICE) WAS APPROXIMATELY $13,572,981,774.

THE NUMBER OF SHARES OUTSTANDING OF THE REGISTRANT'S COMMON STOCK AS OF FEBRUARY 29, 1996 WAS 205,651,239.

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, 1995 (PARTS I, II AND IV); AND (2) REGISTRANT'S DEFINITIVE PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON APRIL 19, 1996 (PART III).

PART I

ITEM 1. BUSINESS AND ITEM 2. PROPERTIES

DISCUSSION OF SIGNIFICANT EVENTS AND OPERATIONS

Union Pacific Corporation (Union Pacific or the Corporation), incorporated in Utah in 1969, operates through subsidiaries in the areas of rail transportation (Union Pacific Railroad Company (UPRR) and Missouri Pacific Railroad Company (MPRR)), hereafter defined as the "Railroad" and trucking (Overnite Transportation Company), hereafter defined as "Overnite". Each of these subsidiaries is indirectly wholly-owned by Union Pacific Corporation. The Corporation has adopted a plan to exit its natural resources business and has sold its waste management unit (see "Corporate Reorganization" below).

During 1995, Union Pacific had an average of 49,500 employees, of whom approximately 63 percent belonged to various labor organizations.

CORPORATE REORGANIZATION

WASTE MANAGEMENT DIVESTITURE - At year-end 1994, Union Pacific completed the sale of its waste management segment (USPCI, Inc. (USPCI)) for $225 million in notes that were subsequently collected in January 1995. The sale resulted in a loss of $600 million ($404 million after tax).

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (CNW) - In March 1995, the Corporation executed a definitive merger agreement to acquire, for $1.2 billion, the remaining 71.6% of outstanding common stock of CNW not previously owned by Union Pacific. Under this agreement, Union Pacific initiated a cash tender offer in March 1995 for all outstanding CNW shares at $35 per share, which was completed in late April 1995. The acquisition of CNW was accounted for as a purchase and CNW's financial results were consolidated into Union Pacific beginning in May 1995.

NATURAL RESOURCES DIVESTITURE - In July 1995, Union Pacific's Board of Directors approved a formal plan to exit its natural resources business (Union Pacific Resources Group Inc. (Resources)). The plan includes an initial public offering (IPO) of Resources' common stock followed by the distribution of Union Pacific's remaining interest in Resources to the Corporation's shareholders on a tax-free, pro-rata basis.

The IPO was completed in October 1995 with the sale of 42.5 million shares of common stock (17.1%) of Resources' outstanding common stock. The IPO was priced at $21 per share and generated net proceeds of $844 million. In connection with the IPO, Resources distributed to Union Pacific by dividend $1,562 million ($912 million in cash and $650 million in notes bearing interest at 8.5% per annum), and an intercompany receivable of $59 million.

The Corporation expects that the final distribution of Resources' common stock will occur once Union Pacific has received a favorable ruling from the Internal Revenue Service on the tax-free nature of the distribution and after the completion or termination of the acquisition of Southern Pacific Rail Corporation (Southern Pacific), discussed below. Union Pacific anticipates that these events will occur in mid-to-late 1996.

SOUTHERN PACIFIC ACQUISITION - In August 1995, Union Pacific and Southern Pacific entered into a definitive merger agreement (the Agreement) providing for the acquisition of Southern Pacific by Union Pacific. Under the terms of the Agreement, Union Pacific acquired 25% of Southern Pacific's common stock in a first-step cash tender offer. Following approval of the Southern Pacific acquisition by the Surface Transportation Board (STB) of the Department of Transportation--the successor to the Interstate Commerce Commission (ICC)--Union Pacific will complete the acquisition of Southern Pacific by exchanging each of the remaining Southern Pacific common shares, at the holder's election and subject to proration, for $25 or 0.4065 shares of Union Pacific common stock. As a result, Union Pacific will convert 60% of Southern Pacific's outstanding shares immediately before the acquisition into shares of Union Pacific common stock, with the remaining 40% of the outstanding shares, including the shares acquired in the first-step cash tender offer, being acquired for cash.

Union Pacific completed the first-step cash tender offer in September 1995 pursuant to which approximately 39 million common shares or 25% of the outstanding common shares of Southern Pacific were acquired by Union Pacific at $25 per share. Union Pacific deposited these shares into an independent voting trust pending STB approval of the acquisition of Southern Pacific.

The Corporation filed an application for control of Southern Pacific with the STB in late November 1995. The STB has adopted an expedited schedule under which it intends to render a final decision within 255 days of filing the original application. Should the acquisition of Southern Pacific not be approved by the STB, or should the STB impose onerous approval conditions, the Corporation may be required to or may choose to dispose of its initial investment in Southern Pacific. Such a disposition could cause Union Pacific to incur a significant loss on its investment in Southern Pacific. However, the Corporation believes that the STB will approve its application for control of Southern Pacific without onerous conditions.

Southern Pacific operates the nations sixth largest railroad through 15 states and transports freight over approximately 14,500 miles of main-line track, linking the West Coast and Gulf Coast ports to large population centers in the Midwest. Southern Pacific generated operating revenues of $3.2 billion in 1995 and 3.1 billion in 1994. The combination of the Railroad and Southern Pacific would create the nation's largest railroad.

CONTINUING OPERATIONS

RAIL TRANSPORTATION - The Railroad is the second largest railroad in terms of revenue generation in the United States, and operates nearly 23,000 route miles linking Pacific Coast and Gulf Coast ports with the Midwest. The Railroad serves the western two-thirds of the country and maintains coordinated schedules with other carriers for the handling of freight to and from the Atlantic seaboard, the Pacific Coast, the Southeast, the Southwest, Canada and Mexico. Export and import traffic is moved through Gulf Coast and Pacific Coast ports, and across the Texas-Mexico and (primarily through interline connections) Canadian borders. Major categories of freight hauled by the Railroad are automotive, chemicals, energy (coal), food/consumer/government, grains and grain products, intermodal, and metals/minerals/forest. In 1995, energy was the largest commodity in terms of percentage of revenue ton-miles (39.8%) and produced the highest percentage of commodity revenue (21.2%). Percentages of revenue ton-miles and commodity revenue for other commodities are presented on page 49 of the 1995 Annual Report to Stockholders (Annual Report).

In its rail transportation business, Union Pacific is subject to competition from other railroads, motor carriers and barge operators based on both price and service. Most of its railroad operations are conducted in corridors served by competing railroads and by motor carriers. Motor carrier competition has been strengthened by longer combination vehicles which are allowed in a number of states in which the Railroad operates and magnified by overcapacity within the trucking industry. Because of the proximity of the Railroad's operations to major inland and Gulf Coast waterways, barge competition can be particularly pronounced for grain and bulk commodities in certain markets.

As is true with employees of all the principal railroads in the country, most of the approximately 35,000 employees of the Railroad are organized along craft lines and represented by national labor unions. The Railroad continues to enter into agreements implementing the previous round of national negotiations to meet local requirements throughout its system. The Railroad has implemented two-person crews for all through-freight trains and for a portion of yard and local operations. Expansion of two-person crews is planned for other areas of the system.

Both the unions and the railroads took the necessary steps in 1995 to commence labor negotiations on a new agreement for all craft lines. In January 1996, a tentative agreement was reached with the United Transportation Union (UTU), which represents approximately 25% of the Railroad's unionized employees. The five-year package, which is currently undergoing UTU ratification, includes a combination of general wage increases and lump-sum payments ranging from 3% to 3.5% annually, as well as increased work rule flexibility. In February 1996, a tentative agreement was also reached with the Brotherhood of Locomotive Engineers (BLE). The final terms of the agreement are anticipated to be similar to those provided for in the UTU agreement. Ratification votes by the UTU and BLE are expected in the spring of 1996. Negotiations with other crafts will also continue in 1996.

A separate Annual Report on Form 10-K for the year ended December 31, 1995, is filed by MPRR. Reference is made to such report for additional information concerning that company.

TRUCKING - Overnite, a major interstate trucking company, serves all 50 states and portions of Canada and Mexico through 175 service centers located through the United States. As one of the largest trucking companies in the United States, Overnite serves 95 percent of the U.S. population, specializing in less-than-truckload shipments and offering a comprehensive array of services. Overnite transports a variety of products, including machinery, tobacco, textiles, plastics, electronics and paper products.

Overnite experiences intense competition, based on service and price, from both regional and national motor carriers, which has been amplified by negative market conditions within the trucking industry and the resulting overcapacity that has been created by such conditions. Industry overcapacity and intense competition will likely continue well into 1996. Overnite is tailoring its organization to better meet this challenging business environment by implementing programs to improve operational and administrative efficiencies.

As the nation's largest non-union trucking company, Overnite is periodically targeted by major labor organization efforts and is currently the subject of an organizational campaign instituted by the International Brotherhood of Teamsters (Teamsters) at many of its service centers. During 1995 and early 1996, over 50 of Overnite's 175 service centers were petitioned to hold union elections, 15 of which voted for union representation. Despite the Teamsters' efforts, less than 9% of Overnite's workforce has voted for union representation. Union elections are anticipated to continue throughout 1996. Overnite is negotiating in good faith with several of the unionized service centers and these negotiations will also continue throughout 1996. Overnite is unable at this time to estimate the impact these negotiations will have on its future operating costs or profitability.

DISCONTINUED OPERATIONS

NATURAL RESOURCES - Resources is an independent oil and gas company engaged in the exploration for and production of natural gas, crude oil and associated products. Resources' oil and gas activities are concentrated in six core geographic areas: (1) the Austin Chalk trend in Texas and Louisiana, (2) the Rockies, consisting of the western portion of the Land Grant area in Wyoming and Utah, (3) Plains/Canada, consisting of the eastern portion of the Land Grant area in Colorado and Wyoming, with additional operations in Kansas and western Canada, (4) the onshore and offshore Gulf Coast area, (5) eastern and southern Texas and (6) western Texas. Through a wholly-owned subsidiary, Resources also markets its own production, and purchases and resells third-party production, focusing on direct marketing to the natural gas end user, with particular emphasis on the power generation market.

Resources also has interests in trona and coal development. Trona activities consist of royalties from mining on Land Grant acreage and equity and partnership interests that equate to a 49 percent interest in Rhone Poulenc of Wyoming, which mines trona and processes it into soda ash. Coal activities consist principally of royalties from third-party mines and a 50 percent ownership interest in Black Butte Coal Company, a joint-venture mine. In February 1996, Rhone-Poulenc Inc., which owned a 51% interest in and operated the Company's soda ash joint venture, sold its interest to a U.S. subsidiary of Oriental Chemical Industries, a Korean manufacturer of soda ash and other chemicals.

Resources competes for oil and gas reserves and skilled personnel with smaller companies, as well as with the larger integrated oil companies. Mining operations also are subject to competition from a number of companies, many of which have larger operations.

A separate Annual Report on Form 10-K for the year ended December 31, 1995, is filed by Resources. Reference is made to such report for additional information concerning that company.

Additional information for Union Pacific's principal businesses is presented on pages 5 through 21,38,39,49 and 50 of the Annual Report and such information (excluding photographs on pages 5 through 21, none of which supplements the text and which are not otherwise required to be disclosed herein) is incorporated herein by reference. Information on business segments on page 33 and a map of Union Pacific's operations on pages 52 and 53 of the Annual Report are also incorporated herein by reference.

GOVERNMENTAL REGULATION

Union Pacific's operations are currently subject to a variety of Federal, state and local regulations. A description of the more significant regulations follows.

The operations of the Railroad and Overnite are subject to the regulatory jurisdiction of the STB, the successor to the ICC, other Federal agencies and various state agencies. The STB has jurisdiction over rates charged on certain regulated rail traffic; freight car compensation; transfer, extension or abandonment of rail lines; and acquisition of control of rail common carriers and motor carriers by rail common carriers. Other Federal agencies have jurisdiction over safety, movement of hazardous materials, movement and disposal of hazardous waste, and equipment standards.

As a result of the ICC Termination Act of 1995, effective January 1, 1996 state agencies no longer have authority to regulate intrastate rail rates, practices and services. In addition, in January 1995, the Federal government deregulated intrastate trucking, lifting state oversight of rates, routes and service. However, various state and local agencies have jurisdiction over disposal of hazardous wastes and seek to regulate movement of hazardous materials.

Most of Resources' crude oil, field condensate and natural gas operations are in jurisdictions in which production is regulated under applicable conservation laws. Exploration and production activities are also subject to safety regulations. The transportation of Resources' natural gas is affected by the provisions of the Natural Gas Act and the Natural Gas Policy Act. These acts, administered by the Federal Energy Regulatory Commission (FERC), regulate the interstate transportation of gas, including rates and the terms and conditions for service. FERC also governs the tariffs for common carrier liquid pipelines. Resources operates intrastate natural gas pipelines in Texas and Wyoming. State agencies regulate the operations of these lines, including the rates, terms and conditions for providing transportation service. The Department of the Interior regulates the leasing of Federal lands and the exploration for and production of oil and gas on and from such lands. The transmission by pipeline of liquid petroleum, petroleum products and natural gas is subject to Federal and state pipeline safety laws.

Resources' mining operations are subject to a variety of Federal and state regulations respecting safety, land use and reclamation. In addition, the Department of the Interior regulates the leasing of Federal lands for coal development as provided in the Mineral Lands Leasing Act of 1920. Section 2(c) of this Act prohibits a company operating a railroad from holding a Federal coal lease. In late 1982, the Department of the Interior decided that the Section prohibits new leasing to affiliates of railroads, such as Resources. The Department of Justice and the Department of the Interior have concluded that under current conditions Section 2(c) is an impediment to competition and that it should be repealed. In January 1993, a Regional Solicitor of the Department of the Interior opined that Section 2(c) does not prohibit Resources' Black Butte joint venture coal company mine from holding Federal coal leases.

ENVIRONMENTAL REGULATION

Subsidiaries of Union Pacific are subject to various environmental statutes and regulations, including the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) and the Clean Air Act (CAA).

RCRA applies to hazardous waste generators and transporters, as well as persons engaged in treatment and disposal of hazardous waste, and specifies standards for storage areas, treatment units and land disposal units. All generators of hazardous waste are required to label shipments in accordance with detailed regulations and to prepare a detailed manifest identifying the material and stating its destination before waste can be released for offsite transport. The transporter must deliver the hazardous waste in accordance with the manifest and only to a treatment, storage or disposal facility qualified for RCRA interim status or having a final RCRA permit.

Environmental Protection Agency (EPA) regulations under RCRA have established a comprehensive system for the management of hazardous waste. These regulations identify a wide range of industrial by-products and residues as hazardous waste, and specify requirements for "cradle-to-grave" management of such waste from the time of generation through the time of disposal and beyond. States that have adopted hazardous waste management programs with standards at least as stringent as those promulgated by the EPA may be authorized by the EPA to administer all or part of RCRA on behalf of the EPA.

CERCLA was designed to establish a strategy for cleaning up facilities at which hazardous waste or other hazardous substances have created actual or potential environmental hazards. The EPA has designated certain facilities as requiring cleanup or further assessment. Among other things, CERCLA authorizes the Federal government either to clean up such facilities itself or to order persons responsible for the situation to do so. The act created a multi-billion dollar fund to be used by the Federal government to pay for such cleanup efforts.

CERCLA imposes strict liability on the owners and operators of facilities in which hazardous waste and other hazardous substances are deposited or from which they are released or are likely to be released into the environment, the generators of such waste, and the transporters of the waste who select the disposal or treatment sites. Liability may include cleanup costs incurred by third persons and damage to publicly-owned natural resources. Union Pacific subsidiaries are subject to potential liability under CERCLA as generators of hazardous waste and as transporters. Some states have enacted, and other states are considering enacting, legislation similar to CERCLA. Certain provisions of these acts are more stringent than CERCLA. States that have passed such legislation are currently active in designating more facilities as requiring cleanup and further assessment. CERCLA may be subject to reauthorization in 1996 and may be substantially modified as part of that reauthorization.

The operations of Union Pacific's subsidiaries are subject to the requirements of the CAA. The 1990 amendments to the CAA include a provision under Title V that requires that certain facilities obtain operating permits. EPA regulations require all states to develop Federally approvable permit programs. Affected facilities must submit air operating permit applications to the respective states within one year of the EPA's approval of the state programs. Certain Union Pacific facilities, such as gas processing plants and other facilities at Resources, as well as certain Railroad facilities, may be required to obtain such permits. In addition, the EPA is expected to propose mobile source regulations during the fall of 1996. These regulations are expected to require that beginning in 2000 or 2001 locomotives purchased or remanufactured would have to meet stringent emissions criteria. While the cost of meeting these requirements may be significant, expenditures are not expected to materially affect the Corporation's financial condition or results of operations.

The operations of Union Pacific's subsidiaries are also subject to other laws protecting the environment, including permit requirements for wastewater discharges pursuant to the National Pollutant Discharge Elimination System and storm-water regulations under the Federal Water Pollution Control Act. The operations of the Corporation's former waste management subsidiary, USPCI, which was sold at year-end 1994, are also subject to various Federal and state laws and regulations. The Corporation has retained certain environmental exposure relating to USPCI and has recorded liabilities sufficient to complete anticipated remediation requirements. Certain Federal legislation may impose joint and several liability for the remediation of environmental contamination; however, Union Pacific has been indemnified by the purchaser of USPCI for any liability not retained by the Corporation (see Notes 2 and 12 to the Financial Statements).

ITEM 3. LEGAL PROCEEDINGS

LABOR MATTERS

The General Counsel of the National Labor Relations Board (NLRB) is seeking a bargaining order remedy in 17 cases involving Overnite where a Teamsters local union lost a representation election. These cases are pending before a NLRB administrative law judge. A bargaining order remedy would require Overnite to recognize and bargain with the union as if the union had won instead of lost the election and would be warranted only if the following findings are made: (1) the petitioning Teamsters local had obtained valid authorization cards from a majority of the employees in an appropriate unit; (2) Overnite committed serious unfair labor practices; and (3) those unfair labor practices would preclude the holding of a fair election despite the application of less drastic remedies. Under NLRB case law, a bargaining order remedy would attach retrospectively to the date when, after a union with a showing of majority support demanded recognition, Overnite embarked on an unlawful course of conduct. In the event of such a retroactive effective bargaining order, Overnite would face back pay liability for losses in employee earnings due to unilateral changes in terms or conditions of employment, such as layoffs, reduced hours of work or less remunerative work assignments. Overnite believes it has substantial defenses to these cases and intends to aggressively defend them.

MINERAL TITLE LITIGATION

In August 1994, the surface owners of portions of five sections of Colorado land that are subject to mineral reservations made by Resources' predecessor in title brought suit against Resources in the District Court of Weld County, Colorado to quiet title to minerals, including crude oil (in some of the lands) and natural gas. In September 1994, the case was removed to the U.S. District Court for the District of Colorado, but the plaintiffs are asking the District Court to remand the case back to the state court. Resources has filed a motion for summary judgment asking the District Court to rule as a matter of law that it owns the oil and gas and all minerals that are part of a severed mineral estate. No trial date is currently set. Similar claims were made under identical mineral reservations by Utah and Wyoming surface owners in cases litigated in the Federal courts of Utah and Wyoming between 1979 and 1987. In those cases, the Federal courts held as a matter of law that, under the laws of Utah and Wyoming, these mineral reservations unambiguously reserved oil and gas to UPRR and its successors. These holdings were affirmed by the United States Court of Appeals for the Tenth Circuit. While Resources believes that the rule of law applied by the Federal courts in Utah and Wyoming should also be applied under Colorado law, there are Colorado court decisions that could provide a basis for an alternative interpretation. The value of the disputed reserves in the properties subject to the lawsuit is estimated to be approximately $5 million. Approximately 400,000 acres of other lands in Weld County, Colorado are subject to mineral reservations that are in the same form as the reservations at issue in the present suit. An adverse interpretation of the reservations at issue is likely to implicate the mineral title in these other lands as well. In addition, over 2 million acres of lands elsewhere in Colorado are subject to the same forms of mineral reservations. Depending on the grounds of an adverse decision in the case, title to minerals held by Resources in some or all of these lands could also be affected, which might have the effect of significantly reducing Resources' interest in the Las Animas area of southeastern Colorado and the Denver-Julesburg Basin in eastern Colorado.

ENVIRONMENTAL MATTERS

In July 1995, the Butte County (Oroville, California) District Attorney advised that a civil penalty action would be filed against the Railroad for violations resulting from a derailment and spill of diesel fuel into the Feather River in Peo, California on April 14, 1995. In late July, the California Regional Water Quality Control Board also filed a separate penalty action seeking $40,000 for the same incident. This latter action was settled for $40,000. A further demand for penalties from the California Department of Fish and Game is expected but the amount of such demand is not determinable at this time.

In addition to the foregoing, Union Pacific and several of its subsidiaries have received notices from the EPA and state environmental agencies alleging that they are or may be liable under CERCLA, RCRA, and other Federal or state environmental legislation for the remediation costs associated with alleged contamination or for violations of environmental requirements at various sites throughout the United States, including sites which are on the Superfund National

Priorities List or state superfund lists. Although specific claims have been made by the EPA and state regulators with respect to some of these sites, the ultimate impact of these proceedings and suits by third parties cannot be predicted at this time because of the number of potentially responsible parties involved, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites and/or the speculative nature of remediation costs. Nevertheless, at many of the superfund sites, the Corporation believes it will have little or no exposure because no liability should be imposed under applicable law, one or more other financially able parties generated all or most of the contamination, or a settlement of Union Pacific's exposure has been reached although regulatory proceedings at the sites involved have not been formally terminated. Additional information on the Corporation's potential environmental costs is set forth under Other Matters on page 29 of the Annual Report.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT AND
PRINCIPAL EXECUTIVE OFFICERS OF SUBSIDIARIES

NAME	POSITION	AGE	BUSINESS EXPERIENCE DURING PAST FIVE YEARS
Drew Lewis..............	Chairman and Chief Executive Officer of Union Pacific and Chairman of Resources	64	(1)
Richard K. Davidson.....	President and Chief Operating Officer of Union Pacific and Chairman of the Railroad	54	(2)
L. White Matthews, III..	Executive Vice President - Finance	50	(3)
Charles E. Billingsley..	Senior Vice President - Special Projects	62	(4)
Ursula F. Fairbairn.....	Senior Vice President - Human Resources	53	Current Position
Carl W. von Bernuth.....	Senior Vice President and General Counsel	52	(5)
John E. Dowling.........	Vice President - Corporate Development	48	Current Position
John B. Gremillion, Jr..	Vice President - Taxes	49	(6)
Mary E. McAuliffe.......	Vice President - External Relations	50	(7)
Gary F. Schuster........	Vice President - Corporate Relations	54	Current Position
Morris B. Smith.........	Vice President and Controller	51	(8)
Gary M. Stuart..........	Vice President and Treasurer	55	Current Position
Judy L. Swantak.........	Vice President and Corporate Secretary	40	(9)
Ronald J. Burns.........	President and Chief Executive Officer of the Railroad	43	(10)

NAME	POSITION	AGE	BUSINESS EXPERIENCE DURING PAST FIVE YEARS
Jack L. Messman........	President and Chief Executive Officer of Resources	56	(11)
James D. Douglas.......	President and Chief Operating Officer of Overnite	46	(12)

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(1) Mr. Lewis has served as Chairman and Chief Executive Officer of Union Pacific since May 1994 and prior thereto was Chairman, President and Chief Executive Officer of Union Pacific. Mr. Lewis also became Chairman of Resources in August 1995 and served as Chairman of the Railroad during August and September 1991.

(2) Mr. Davidson was elected President of Union Pacific effective May 1994 and Chief Operating Officer of Union Pacific effective November 1995. He was President and Chief Executive Officer of the Railroad in August and September 1991 until August 1995 and Chairman of the Railroad since then. Prior thereto, he served as Executive Vice President - Operations of the Railroad.

(3) Mr. Matthews was elected to his present position effective April 1992. Prior thereto, he served as Senior Vice President - Finance of Union Pacific.

(4) Mr. Billingsley was elected to his present position effective September 1995. Prior thereto, he served as Vice President and Controller of Union Pacific.

(5) Mr. von Bernuth was elected to his present position effective September 1991. Prior thereto, he served as Vice President and General Counsel of Union Pacific.

(6) Mr. Gremillion was elected to his present position effective February 1992. Prior thereto, he served as Director of Taxes of Union Pacific.

(7) Ms. McAuliffe was elected to her present position effective December 1991. Prior thereto, she served as Director - Washington Affairs, Transportation and Tax of Union Pacific.

(8) Mr. Smith was elected to his present position effective September 1995. From January through August 1995 he served as Vice President-Finance of the Railroad; from June 1993 through December 1994, he served as Vice President-Finance of USPCI; and from October 1990 through May 1993 he served as Assistant Controller-Planning and Analysis of Union Pacific.

(9) Mrs. Swantak was elected to her present position effective September 1991. Prior thereto, she served as Corporate Secretary of Union Pacific.

(10) Mr. Burns was elected to his present position effective August 1995. From April 1994 to August 1995 he served as Managing Director, North American Operations, Enron Capital and Trade Resources, and from October 1990 through March 1994 he served as Chairman and Chief Executive Officer, Enron Gas Pipeline Group.

(11) Mr. Messman was elected President and Chief Executive Officer of Resources in August 1995. He served as President and Chief Executive Officer of Union Pacific Resources Company (which owned or managed all of the oil, gas and mining operations of Union Pacific prior to Resources' initial public offering) since May 1991, and concurrently served as Chairman of USPCI prior to January 1995. Prior to May 1991, he served as Chairman and Chief Executive Officer of USPCI.

(12) Mr. Douglas was elected to his present position effective February 1995. From July 1993 through January 1995 he served as Senior Vice President - Finance and Administration of Overnite, and from March 1991 through June 1993 he served as Vice President - Finance of Overnite. Prior thereto, he served as Assistant Controller - Accounting of Union Pacific.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information as to the markets in which Union Pacific's Common Stock is traded, the quarterly high and low prices for such stock, the dividends declared with respect to the Common Stock during the last two years, and the approximate number of stockholders of record at January 31, 1996, is set forth under Selected Quarterly Data and Stockholders and Dividends, appearing on page 49 of the Annual Report. Information as to restrictions on the payment of dividends with respect to the Corporation's Common Stock is set forth in Note 8 to Financial Statements, appearing on pages 43 and 44 of the Annual Report. Such information is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

Selected Financial Data for Union Pacific for each of the last ten years are set forth under the Ten-Year Financial Summary, appearing on page 51 of the Annual Report. All such information is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information as to Union Pacific's results of operations, cash flows, liquidity and capital resources, and other matters is set forth in the Financial Review, appearing on pages 22 through 31 of the Annual Report, and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Corporation's consolidated financial statements, accounting policy disclosures, notes to financial statements, business segment information and independent auditors' report are presented on pages 32 through 48 of the Annual Report. Selected quarterly financial data are set forth under Selected Quarterly Data, appearing on page 49 of the Annual Report. All such information is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Directors of Registrant.

Information as to the names, ages, positions and offices with Union Pacific, terms of office, periods of service, business experience during the past five years and certain other directorships held by each director or person nominated to become a director of Union Pacific is set forth in the Directors segments of the Proxy Statement and is incorporated herein by reference.

(b) Executive Officers of Registrant.

Information concerning the executive officers of Union Pacific and its subsidiaries is presented in Part I of this Report under Executive Officers of the Registrant and Principal Executive Officers of Subsidiaries.

(c) Section 16(a) Compliance.

Information concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 is set forth in the Certain Relationships and Related Transactions segment of the Proxy Statement and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning remuneration received by Union Pacific's executive officers and directors is presented in the Compensation of Directors, Compensation Committee Interlocks and Insider Participation, Summary Compensation Table, Option/SAR Grants Table, Option/SAR Exercises and Year-End Value Table and Defined Benefit Plans segments of the Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information as to the number of shares of Union Pacific's equity securities beneficially owned as of February 9, 1996 by each of its directors and nominees for director, its five most highly compensated executive officers and its directors and executive officers as a group is set forth in the Directors and Security Ownership of Management segments of the Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information on related transactions is set forth in the Certain Relationships and Related Transactions and Compensation Committee Interlocks and Insider Participation segments of the Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) and (2) Financial Statements and Schedules

The financial statements, accounting policy disclosures, notes to financial statements and independent auditors' report appearing on pages 32 through 48, inclusive, of Union Pacific's 1995 Annual Report to Stockholders are incorporated herein by reference.

No schedules are required to be filed because of the absence of conditions under which they would be required or because the required information is set forth in the financial statements referred to above.

(3) Exhibits

Items 10(m) through 10(ff) below constitute management contracts and executive compensation arrangements required to be filed as exhibits to this report.

2(a) Agreement 2(a) and Plan of Merger, dated as of August 3, 1995, among the Corporation, UPRR, UP Acquisition Corporation (the Purchaser) and Southern Pacific, is incorporated herein by reference to Annex B to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

3(a) Union Pacific's Revised Articles of Incorporation, as amended through April 17, 1992, are incorporated herein by reference to Exhibit 3(a) to Union Pacific's Report on Form 10-Q for the quarter ended March 31, 1992.

3(b) Union Pacific's By-Laws, amended effective as of January 26, 1995, are incorporated herein by reference to Exhibit 3(b) to Union Pacific's Report on Form 10-K for the year ended December 31, 1994.

4 Pursuant to various indentures and other agreements, Union Pacific has issued long-term debt; however, no such agreement has securities or obligations covered thereby which exceed 10% of Union Pacific's total consolidated assets. Union Pacific agrees to furnish the Commission with a copy of any such indenture or agreement upon request by the Commission.

9 Voting Trust Agreement, dated as of August 3, 1995, among the Corporation, the Purchaser and Southwest Bank of St. Louis, is incorporated herein by reference to Annex K to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(a) Shareholders Agreement, dated as of August 3, 1995, among the Corporation, the Purchaser, The Anschutz Corporation (TAC), Anschutz Foundation (the Foundation), and Mr. Philip F. Anschutz (Mr. Anschutz), is incorporated herein by referenced to Annex D to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(b) Shareholders Agreement, dated as of August 3, 1995, among the Corporation, the Purchaser and The Morgan Stanley Leveraged Equity Fund II, L.P., is incorporated herein by reference to Annex E to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(c) Shareholders Agreement, dated as of August 3, 1995, among the Corporation, the Purchaser and Southern Pacific, is incorporated herein by reference to Annex F to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(d) Shareholders Agreement, dated as of August 3, 1995, among Resources, TAC, the Foundation and Mr. Anschutz, is incorporated herein by reference to Annex G to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(e) Registration Rights Agreement, dated as of August 3, 1995, among the Corporation, TAC and the Foundation, is incorporated herein by reference to Annex H to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

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10(g) Registration Rights Agreement, dated as of August 3, 1995, between the Purchaser and Southern Pacific, is incorporated herein by reference to Annex J to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(h) Clarification of Anschutz Shareholders Agreement and Anschutz/Spinco Shareholders Agreement is incorporated herein by reference to Exhibit 10.8 to Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(i) Clarification of Parent Shareholders Agreement is incorporated herein by reference to Exhibit 10.9 to Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

10(j) Clarification of Agreement and Plan of Merger is incorporated herein by reference to Exhibit 10.10 to Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

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10(l) Supplemental Agreement, dated November 18, 1995, between the Corporation, UPRR, MPRR and Southern Pacific, SPT, D&RGW, SLSRC and SPCSL, on the one hand, and BN and Santa Fe, on the other hand, is incorporated herein by reference to Exhibit 10.12 to Union Pacific's Registration Statement on Form S-4 (No. 33-64707).

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10(n) The 1982 Stock Option and Restricted Stock Plan of Union Pacific Corporation, as amended as of February 1, 1992, is incorporated herein by reference to Exhibit 10(c) to Union Pacific's Report on Form 10-K for the year ended December 31, 1991.

10(o) The 1988 Stock Option and Restricted Stock Plan of Union Pacific Corporation, as amended as of February 1, 1992, is incorporated herein by reference to Exhibit 10(d) to Union Pacific's Report on Form 10-K for the year ended December 31, 1991.

10(p) The Supplemental Pension Plan for Officers and Managers of Union Pacific Corporation and Affiliates, as amended and restated, is incorporated herein by reference to Exhibit 10(d) to Union Pacific's Report on Form 10-K for the year ended December 31, 1993.

10(q) The Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates, as amended and restated, is incorporated by reference to Exhibit 10(e) to Union Pacific's Report on Form 10-K for the year ended December 31, 1993.

10(r) Amendment to Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Group Inc. and Affiliates, effect as of October 17, 1995.

10(s) The Employment Agreement, dated as of January 30, 1986, between Union Pacific and Andrew L. Lewis, Jr., is incorporated herein by reference to Exhibit 10(e) to Union Pacific's Report on Form 10-K for the year ended December 31, 1985.

10(t) The 1990 Retention Stock Plan of Union Pacific Corporation, as amended as of September 30, 1993, is incorporated herein by reference to Exhibit 10(e) to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1991 and Exhibit 10(b) to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1993.

10(u) The 1992 Restricted Stock Plan for Non-Employee Directors of Union Pacific Corporation, as amended as of January 28, 1993, is incorporated herein by reference to Exhibit 10(a) to Union Pacific's Current Report on Form 8-K filed March 16, 1993.

10(v) The 1993 Stock Option and Retention Stock Plan of Union Pacific Corporation, as amended April 21, 1995, is incorporated herein by reference to Exhibit 10(b) to Union Pacific's Report on Form 10-Q for the quarter ended March 31, 1995.

10(w) The Pension Plan for Non-Employee Directors of Union Pacific Corporation, as amended January 25, 1996.

10(x) The Executive Life Insurance Plan of Union Pacific Corporation, adopted August 2, 1994, is incorporated herein by reference to Exhibit 10 to Union Pacific's Report on Form 10-Q for the quarter ended June 30, 1994.

10(y) The Union Pacific Corporation Stock Unit Grant and Deferred Compensation Plan for the Board of Directors, as amended January 25, 1996.

10(z) Charitable Contribution Plan for Non-Employee Directors of Union Pacific Corporation.

10(aa) Written Description of Other Executive Compensation Arrangements of Union Pacific Corporation is incorporated herein by reference to Exhibit 10(o) to Union Pacific's Report on Form 10-K for the year ended December 31, 1992.

10(bb) Executive Incentive Plan of Resources is incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-1 (No. 33-95398) filed by Resources.

10(cc) 1995 Stock Option and Retention Stock Plan of Union Pacific Resources Group Inc. is incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1 (No. 33-95398) filed by Resources.

10(dd) Form of Conversion Agreement is incorporated by reference to Exhibit 10.13(a) to the Registration Statement on Form S-1 (No. 33-95398) filed by Resources.

10(ee) Conversion Agreement for Drew Lewis is incorporated herein by reference to Exhibit 10(d) to Union Pacific's Report on Form 10-Q for the quarter ended September 30, 1995.

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(11) Computation of earnings per share.

(12) Computation of ratio of earnings to fixed charges.

(13) Pages 5 through 53, inclusive, of Union Pacific's Annual Report to Stockholders for the year ended December 31, 1995, but excluding photographs set forth on pages 5 through 21, none of which supplements the text and which are not otherwise required to be disclosed in this Annual Report on Form 10-K.

(21) List of Union Pacific's significant subsidiaries and their respective states of incorporation.

(23) Independent Auditors' Consent.

(24) Powers of attorney executed by the directors of Union Pacific.

(27) Financial Data Schedule.

(99) (a) Financial Statements for the Fiscal Year ended December 31, 1995 required by Form 11-K for the Union Pacific Corporation Thrift Plan - To be filed by amendment.

(99) (b) Financial Statements for the Fiscal Year ended December 31, 1995 required by Form 11-K for the Union Pacific Fruit Express Company Agreement Employee 401(k) Retirement Thrift Plan - To be filed by amendment.

(99) (c) Financial Statements for the Fiscal Year ended December 31, 1995 required by Form 11-K for the Skyway Retirement Savings Plan - To be filed by amendment.

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(99) (e) Financial Statements for the Fiscal Year ended December 31, 1995 required by Form 11-K for the Union Pacific Motor Freight Agreement Employee 401(k) Retirement Thrift Plan - To be filed by amendment.

(b) Reports on Form 8-K

On January 23, 1996, the Corporation filed a Current Report on Form 8-K containing (i) an Indenture dated as of January 5, 1996 between the Corporation and Chemical Bank, (ii) historical financial statements for Southern Pacific as of December 31, 1994 and September 30, 1995, (iii) restated financial statements of the Corporation reflecting the discontinuation of Resources, (iv) pro forma financial statements as of September 30, 1995 for the Corporation and Southern Pacific and (v) a statement concerning the Corporation's consolidated income statement for the nine months ended September 30, 1995.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on this 22nd day of March, 1996.

UNION PACIFIC CORPORATION

By /s/ Drew Lewis

(Drew Lewis, Chairman and Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below, on this 22nd day of March, 1996, by the following persons on behalf of the registrant and in the capacities indicated.

PRINCIPAL EXECUTIVE OFFICER AND DIRECTOR:

/s/ Drew Lewis

(Drew Lewis, Chairman, Chief Executive Officer and Director)

PRINCIPAL FINANCIAL OFFICER AND DIRECTOR:

/s/ L. White Matthews, III

(L. White Matthews, III, Executive Vice President - Finance and Director)

PRINCIPAL ACCOUNTING OFFICER:

/s/ Morris B. Smith

(Morris B. Smith, Vice President and Controller)

SIGNATURES - (Continued)

DIRECTORS:

Robert P. Bauman*	Richard J. Mahoney*
Richard B. Cheney*	Jack L. Messman*
E. Virgil Conway*	John R. Meyer*
Richard K. Davidson*	Thomas A. Reynolds, Jr.*
Spencer F. Eccles*	James D. Robinson, III*
Elbridge T. Gerry, Jr.*	Robert W. Roth*
William H. Gray, III*	Richard D. Simmons*
Judith Richards Hope*	

* By /s/ Judy L. Swantak

(Judy L. Swantak, Attorney-in-fact)

EXHIBIT INDEX

Items 10(m) through 10(ff) below constitute management contracts and executive compensation arrangements required to be filed as exhibits to this report.

Exhibit Number	
2(a)	Agreement and Plan of Merger, dated as of August 3, 1995, among Union Pacific Corporation (the Corporation), Union Pacific Railroad Company ("UPRR"), UP Acquisition Corporation (the Purchaser) and Southern Pacific Rail Corporation (Southern Pacific), is incorporated herein by reference to Annex B to the Joint Proxy Statement/Prospectus included in Union Pacific's Registration Statement on Form S-4 (No. 33-64707).
3(a)	Union Pacific's Revised Articles of Incorporation, as amended through April 17, 1992, are incorporated herein by reference to Exhibit 3(a) to Union Pacific's Report on Form 10-Q for the quarter ended March 31, 1992.
3(b)	Union Pacific's By-Laws, amended effective as of January 26, 1995, are incorporated herein by reference to Exhibit 3(b) to Union Pacific's Report on Form 10-K for the year ended December 31, 1994.
4	Pursuant to various indentures and other agreements, Union Pacific has issued long-term debt; however, no such agreement has securities or obligations covered thereby which exceed 10% of Union Pacific's total consolidated assets. Union Pacific agrees to furnish the Commission with a copy of any such indenture or agreement upon request by the Commission.
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EXHIBIT 10(r)

AMENDMENT TO
SUPPLEMENTAL PENSION PLAN FOR EXEMPT
SALARIED EMPLOYEES OF UNION PACIFIC RESOURCES GROUP INC.
AND AFFILIATES

WHEREAS, the Board of Directors of Union Pacific Resources Group Inc., adopted the Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates by resolution dated September 28, 1995;

WHEREAS, such Board also renamed such Plan the Supplemental Pension Plan for Salaried Employees of Union Pacific Group Inc. ("Supplemental Pension Plan") and delegated to the Senior Vice President - Human Resources of Union Pacific Corporation ("Senior Vice President") its authority to amend the Supplemental Pension Plan as otherwise necessary or advisable in connection with an initial public offering ("IPO") and subsequent spin off of Union Pacific Resources Company; and

WHEREAS, the Senior Vice President desires to amend the Supplemental Pension Plan pursuant to this delegation;

NOW, THEREFORE, the undersigned hereby amends the Supplemental Pension Plan, effective as of the IPO, as set forth below:

I. Section 1.2(a) is amended in its entirety to provide as follows:
"Administrator" means the Senior Vice President - Human Resources of Union Pacific Corporation ("UPC") until UPC no longer owns at least 50% of the voting power of shares of Company stock entitled to vote generally in the election of directors and thereafter, the Vice President - People of the Company.

II. Section 1.2(b) is amended in its entirety to provide as follows:
"Company" means Union Pacific Resources Group, Inc. (herein called "Resources") and any Affiliate which is included in the

Supplemental Plan by action of the Board of Directors of Resources and such Affiliate.

III. Section 1.2(f) is amended in its entirety to provide as follows:

"Incentive Compensation" means incentive compensation awarded a Participant under the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, as amended and restated as of January 1, 1981 and as it may thereafter be amended from time to time and the Executive Incentive Plan of Union Pacific Resources Group Inc. and Subsidiaries, but only to the extent that such incentive compensation is not taken into account in computing the Participant's Final Average Earnings under the Plan. Awards of Incentive Compensation shall be taken into account on the accrual basis at the time such awards are made, provided however, that no more than three awards of Incentive Compensation shall be taken into account for any 36-month period.

IV. Section 1.2(i) is amended in its entirety to provide as follows:

"Plan" means the "Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates," effective January 1, 1990 and as it may thereafter be amended from time to time, until Union Pacific Corporation ("UPC") no longer owns at least 50% of the voting power of shares of Company stock entitled to vote generally in the election of directors and thereafter, such plan as the Company adopts pursuant to the Pension Agreement between the Company and UPC, dated October 1, 1995.

V. Section 1.2(k) is amended in its entirety to provide as follows:

(k) "Supplemental Plan" means the "Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Group Inc. and Affiliates", as described herein, and as it may hereafter be amended from time to time; such term shall also include the Prior Supplemental Plan, except where specific reference is made to the Prior Supplemental Plan.

VI. Section 2.1(b) is amended in its entirety to provide as follows:

(b) such additional years of training, prior to a Participant's Employment Commencement Date or intervening between periods of Employment, as has afforded to the Participant such training as has, in the opinion of the Company, especially qualified him for his position and induced his employment by the Company, but only after, and to the extent that, (i) the Board of Directors has recommended that credit for such additional years be granted, and (ii) the Participant has been notified of such approval (including any such additional years approved under the Prior Supplement Plan).

VII. Section 3.7 is amended in its entirety to provide as follows:

<u>Pre-Termination Age and Service Grant.</u> The pension to which a Participant would otherwise be entitled hereunder shall be redetermined by including in Total Service such additional years as may be approved by the Chief Executive Officer of Union Pacific Corporation prior to termination

of Employment or by adding to such Participant's age such additional years as may then be approved by the Chief Executive Officer of Union Pacific Corporation, or both, but not in excess of five years in either case until Union Pacific Corporation no longer owns at least 50% of the voting power of shares of Company stock entitled to vote generally in the election of directors and thereafter such approval shall be obtained from the Chief Executive Officer of the Company. All rights of a Participant or his beneficiaries hereunder shall be determined on the basis of such additional years.

VIII. Section 8.1 is amended in its entirety to provide as follows:

Administration. To the extent herein provided, the Administrator shall have authority to control and manage the operation and administration of the Supplemental Plan.

IN WITNESS WHEREOF, I have hereunto set my hand and caused these presents to be executed this 11th day of October, 1995.

/s/ Ursula F. Fairbairn

Ursula F. Fairbairn
Senior Vice President - Human
Resources

EXHIBIT 10(w)

PENSION PLAN FOR NON-EMPLOYEE DIRECTORS OF UNION PACIFIC CORPORATION AS AMENDED AS OF JANUARY 25, 1996

1. PURPOSE

The purpose of this Pension Plan for Non-Employee Directors of Union Pacific Corporation (the "Plan") is to promote the interests of Union Pacific Corporation (the "Company") and its shareholders by strengthening its ability to attract and retain outstanding individuals to serve as members of the Board of Directors of the Company by providing such individuals with retirement and survivor's benefits following termination of their service as members of such Board.

2. EFFECTIVE DATE

The Plan shall be effective July 1, 1985 (the "Effective Date"). The provisions of the Plan as in effect on the date when an individual terminates his service as a member of the Board of Directors of the Company shall govern the rights and benefits of such individual under the Plan.

3. ELIGIBILITY

Each individual who is a member of the Board of Directors of the Company on the Effective Date or becomes a member of such Board at any time thereafter shall be eligible for the benefits provided under the Plan, provided that at the time when such individual terminates his service as a member of such Board he has served as a member of such Board for a period of at least five consecutive years. For purposes of determining whether or not an individual has served as a member of the Board of Directors of the Company for a period of at least five consecutive years, there shall be disregarded any period of such service as a member of such Board during which such individual is also employed as an officer or other employee by the Company or by any corporation of which the Company owns or controls directly or indirectly 50% or more of the voting stock (the Company's "subsidiaries") and, in the case of an individual who was formerly employed as an officer or other employee by the Corporation or by any of its subsidiaries, any period of such service as a member of such Board that occurs after such individual terminates such employment if, at the time of such termination, such individual is entitled to receive benefits under any pension plan adopted or maintained by the Company or by any of its subsidiaries for the benefit of employees.

4. AMOUNT OF RETIREMENT PENSION

Each individual who satisfies the eligibility requirements set forth in Section 3 at the time when he terminates his service as a member of the Board of Directors of the Company shall be entitled to receive an annual retirement pension in the amount set forth in this Section 4. Such individual shall be entitled to receive a retirement pension equal to 60% of the annual basic retainer, exclusive of any fees or other amounts payable for attendance at the meetings of such Board or for service on any committee thereof, payable at such time to a majority of the members of such Board who are not employed as officers or other employees by the Company or any of its subsidiaries (the "annual basic retainer"). Once determined, the amount of the retirement pension payable to such individual shall not be adjusted to reflect any subsequent increase or decrease to the annual basic retainer unless the Board of Directors shall determine at the time of such increase or decrease to adjust such pension to reflect such increase or decrease.

5. FORM AND COMMENCEMENT OF RETIREMENT PENSION

The retirement pension to which an individual is entitled under Section 4 shall be paid to such individual in monthly installments if such individual is alive at the time for payment. The first installment shall be paid to such individual on the first day of the month coinciding with or immediately following the later of the dates on which such individual attains age 65 or terminates his service as a member of the Board of Directors of the Company. Subsequent installments shall be paid to such individual on the first day of each succeeding month.

6. BENEFITS IN THE EVENT OF DEATH

(a) If an individual to whom payment of the retirement pension to which such individual is entitled under Section 4 has commenced dies before receiving 10 years' installments, the balance of such 10 years' installments that would have been paid to such individual had such individual not died shall be paid to such individual's beneficiary, if such beneficiary is alive at the time for payment, at the same time as such installments would have been paid to such individual. If such beneficiary dies before receiving all of such balance, the present value of any installments remaining to be paid shall be paid in a lump sum to such beneficiary's estate. If such individual fails validly to designate a beneficiary or if the beneficiary designated by such individual pre-deceases such individual, the present value of the balance of such 10 years' installments shall be paid in a lump sum to such individual's estate.

(b) If an individual dies after he terminates his service as a member of the Board of Directors of the Company but before the payment of the retirement pension to which such individual is entitled under Section 4 has commenced, 10 years' installments of the retirement pension that would have been paid to such individual had such individual not died shall be paid to such individual's beneficiary, if such beneficiary is alive at the time for payment, at the same time that such installments would have been paid to such individual. If such beneficiary dies before receiving all of such 10 years' installments, the present value of any installments remaining to be paid shall be paid in a lump sum to such beneficiary's estate. If such individual fails validly to designate a beneficiary or if the beneficiary designated by such individual pre-deceases such individual, the present value of such 10 years' installments shall be paid in a lump sum to such individual's estate.

(c) If an individual terminates his service as a member of the Board of Directors of the Company as a result of death and satisfied the other eligibility requirements set forth in Section 3, 10 years' installments of the retirement pension that would have been paid to such individual had such individual not died but terminated for reasons other than death his service as a member of such Board at the time of his death shall be paid to such individual's beneficiary, if such beneficiary is alive at the time for payment, at the same time that such installments would have been paid to such individual. If such beneficiary dies before receiving all of such 10 years' installments, the present value of any installments remaining to be paid shall be paid in a lump sum to such beneficiary's estate. If such individual fails validly to designate a beneficiary or if the beneficiary designated by such individual pre-deceases such individual, the present value of such 10 years' installments shall be paid in a lump sum to such individual's estate.

7. SOURCE OF BENEFITS

All benefits payable under the Plan shall be paid solely from the general assets of the Company. The liabilities of the Company pursuant to the Plan to any individual who has served as a member of the Board of Directors of the Company or to the beneficiary or estate of such individual shall be those of a debtor only pursuant to such contractual obligations as are created by the Plan and no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company.

8. INALIENABILITY OF BENEFITS

Except to the extent of the rights of the beneficiary or estate of an individual who has served as a member of the Board of Directors of the Company, no benefit payable under, or interest in, the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any such attempted action shall be void. No such benefit or interest shall be in any manner liable for or subject to garnishment, attachment, execution or levy or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit or interest under the Plan. In the event that the Vice President-Employee Relations of the Company shall find that any person entitled to benefits under, or having an interest in, the Plan shall become bankrupt or shall attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any such benefit or interest, the Vice President-Employee Relations of the Company shall hold or apply the same to or for the benefit of such person, his spouse, children, parents or other blood relatives or any of them.

9. ADMINISTRATION

The Plan shall be administered by the Vice President-Employee Relations of the Company. The Vice President-Employee Relations of the Company shall have complete authority to construe and interpret the Plan, to establish, amend and rescind appropriate rules and regulations relating to the Plan, including rules and regulations for the designation of a beneficiary by an individual who has served as a member of the Board of Directors of the Company, to determine what persons are entitled to benefits under, or have an interest in, the Plan and to take all such other steps and make all such other determinations in connection with the administration of the Plan as he may deem to be necessary or appropriate. All determinations by the Vice President-Employee Relations of the

Company in administering the Plan shall be final and conclusive and binding on all persons.

10. GOVERNING LAW

All questions pertaining to the construction, regulation, validity and effect of the Plan shall be determined in accordance with the law of the State of New York.

11. AMENDMENT, SUSPENSION OR TERMINATION

The Board of Directors of the Company may at any time and from time to time, and retroactively if deemed to be necessary or appropriate, amend, suspend or terminate in whole or in part any or all of the provisions of the Plan, except that no such amendment, suspension or termination shall adversely affect the rights and benefits under the provisions of the Plan as in effect immediately prior to such action to which an individual who has terminated his service as a member of such Board or the beneficiary or estate of such individual is entitled under the Plan immediately prior to such action or to which an individual who has not terminated his service as a member of such Board or the beneficiary or estate of such individual would have been entitled under the Plan immediately prior to such action had such individual so terminated such service at that time.

12. PLAN TERMINATION

Notwithstanding the foregoing provisions of the Plan, the Plan shall be terminated effective January 25, 1996, subject to the terms and conditions set forth in this Section 12. The termination shall not affect an individual whose service as a member of the Board of Directors of the Company terminated prior to January 25, 1996 or any beneficiary of such individual. An individual serving as a member of the Board of Directors of the Company on January 25, 1996 and any beneficiary of such individual shall retain the benefits and rights available to such individual and to such beneficiary under the provisions of the Plan as in effect prior to its termination, except that the basic annual retainer under Section 4 shall be limited to $60,000. Such individual may elect to forfeit $6,000 of the $36,000 annual retirement pension based upon that basic annual retainer and to have that replaced by a credit under the Company's Stock Unit Grant and Deferred Compensation Plan for the Board of Directors equal to the actuarial present value of the amount so forfeited. No benefits shall be paid under the Plan to any beneficiary with respect to the amount so forfeited.

EXHIBIT 10(y)

UNION PACIFIC CORPORATION
STOCK UNIT GRANT AND DEFERRED COMPENSATION PLAN
FOR THE BOARD OF DIRECTORS
AS AMENDED AS OF JANUARY 25, 1996

1. Purpose

The purpose of this Plan is to permit grants of Stock Units to Directors to align their interests with those of stockholders, and to provide a means for deferring payment of all or a portion of any cash compensation, excluding expenses, payable to Directors for their service on the Board of Directors (the "Board") of Union Pacific Corporation (the "Company") in accordance with Article II, Section 5 of the By-Laws of Union Pacific Corporation. Such compensation eligible to be deferred, not including any grants under paragraph 3, is referred to herein as "Compensation".

2. Eligibility

Any individual (a "Director") serving as a member of the Board as of the effective date of this Plan or who subsequently becomes a member is eligible under this Plan, other than members who are employees of the Company or any of its subsidiaries.

3. Stock Unit Grants

a. Commencing in 1995, each full quarterly installment of a Director's Compensation shall be accompanied by the grant of an amount of whole Stock Units equal to $1500 (as such amount may be changed from time to time by the Board) divided by the Fair Market Value of one share of the Company's Common Stock on the first business day of the month following the quarter in which such Compensation was earned, plus cash in lieu of any fractional Stock Unit resulting from such calculation. A pro-rata grant of Stock Units will accompany any partial quarterly Compensation installment. "Fair Market Value" on a date means the average of the high and low trading prices per share on that date, as reported in The Wall Street

Journal listing of consolidated trading for New York Stock Exchange issues. Stock Units and cash so granted shall be credited to such Director's Stock Unit Account referred to in paragraph 6.

b. Each person serving as a member of the Board on January 25, 1996 who has elected (the "Election") to forfeit $6,000 of the annual retirement pension under the Directors' Pension Plan pursuant to Section 12 thereof shall receive a grant of an amount of Stock Units equal to the dollar amount set forth in the election form pursuant to which such person made the Election, divided by the Fair Market Value of one share of the Company's Common Stock on the date that the grant is credited to such Directors' Stock Unit Account, plus cash in lieu of any fractional Stock Unit resulting from such calculation. For all persons making the Election who are eligible on January 25, 1996 for benefits under the Directors' Pension Plan, such grant will be credited to such person's Stock Unit Account on February 15, 1996. For all other persons making the Election, such grant will be credited on the date they become eligible for such benefits (or if such date is not a business day, on the next business day).

c. Each person elected as a member of the Board for the first time after January 25, 1996 shall receive, on the date such person completes five consecutive years of service on the Board (or if such date is not a business day, on the next business day), a grant for immediate credit to such person's Stock Unit Account of an amount of Stock Units equal to $85,000 (as such amount may be changed from time to time by the Board), divided by the Fair Market Value of one share of Common Stock on the date of such grant, plus cash in lieu of any fractional Stock Unit resulting from such calculation. In determining whether a person has completed five consecutive years of service, there shall be disregarded any period of such service during which such person was employed by the Company or any of its subsidiaries and, in the case of any person formerly so employed, any period after termination of such employment if at the time of termination the person is entitled to receive benefits as an employee under any pension plan of the Company or any of its subsidiaries.

4. Deferral Election

An election to defer Compensation is to be made on or before December 31 of any year for Compensation for services as a member of the Board for the following and later calendar years. In addition to deferrals of 1995 Compensation elected in the previous year, at any time prior to March 31, 1995, a director may elect to defer additional Compensation to be paid for services in the last three quarters of 1995.

An election to defer is a continuing election until changed by the Director on or before December 31 of any year for the then following and later calendar years. However, once an election is made (and effective), subsequent elections will have no effect on the amounts, timing and manner of payment covered by the previous election.

Any newly elected Director who was not a Director on the preceding December 31 may elect, before his term begins, to defer Compensation for services as a member of the Board for the balance of the calendar year following such election.

Forms shall be made available to Directors each year for the purpose of making or changing their election.

5. Amount

All or any portion, in multiples of 10%, of a Director's Compensation may be deferred.

6. Deferred Accounts

Each Director shall have a Stock Unit Account and a Fixed Income Account (together, the "Accounts"). Amounts deferred pursuant to paragraph 4 may be credited to either Account, at the election of the Director made at the time of the deferral election, in multiples of 10% of such Director's Compensation. Amounts deferred and credited to the Stock Unit Account shall be converted into whole Stock Units on the basis of the Fair Market Value of the Company's

Common Stock on the first business day of the month following the quarter in which the Compensation was earned, and cash shall be credited to the Stock Unit Account in lieu of any fractional Stock Unit. In addition, on or prior to March 31, 1995, each Director shall have a one-time election to transfer all or any part of the balance of his or her Fixed Income Account to the Stock Unit Account based on the Fair Market Value of the Company's Common Stock on April 3, 1995.

On the payment date for each cash dividend or other cash distribution with respect to the Company's Common Stock, each Director's Stock Unit Account shall be credited with an amount equal to the amount of the per share dividend or distribution, multiplied by the number of Stock Units in such Account, and, if such Director is then serving as a member of the Board, shall be converted into whole Stock Units on the basis of the Fair Market Value of the Company's Common Stock on the payment date for such dividend or distribution, and cash shall be credited to the Stock Unit Account in lieu of any fractional Stock Units. If a Director is no longer serving as a member of the Board on the payment date for such dividend or distribution, the amount representing such dividend or distribution shall be paid out of the Stock Unit Account to such Director as soon as practicable after the payment date for such dividend or distribution.

Except as provided in the preceding sentence, any cash credited to a Director's Stock Unit Account shall be added to other cash credited to such Account and converted into a whole Stock Unit on the date sufficient cash exists to purchase a whole Stock Unit, based on the Fair Market Value of the Company's Common Stock on such date. In the event of a subdivision or combination of shares of Company Stock, the number of Stock Units credited to the Stock Unit Accounts on the effective date of such subdivision or combination shall be proportionately subdivided or combined as the case may be. No adjustment shall be made in Stock Units in connection with the issuance by the Company of any rights or options to acquire additional shares of Company Common Stock or securities convertible into Company Common Stock. In the event of any stock dividend or reclassification of Company Common Stock, any merger or consolidation to which the Company is a party, or any spinoff of shares or distribution of property other than cash with respect to the Company Common Stock, the Committee shall cause appropriate adjustments, if any, to be made in the Stock Units to reflect such stock dividend, reclassification, merger or consolidation, spinoff or distribution of property.

Amounts credited to the Fixed Income Account shall earn interest compounded quarterly, from the date the Compensation would otherwise have been paid until it is actually paid in full. The rate of interest shall be the same rate as that paid on deferrals into the "Fixed Income Account" (formerly "Investment Account A") under the Company's Executive Incentive Plan.

7. Distribution

All distribution from Accounts shall be made in cash. For purposes of distributions from the Stock Unit Account, each Stock Unit shall be converted into an amount of cash equal to the Fair Market Value of one share of the Company's Common Stock on the first business day of the month in which such distribution is made. The Director must elect the timing and manner of payment: (a) in the case of deferred Compensation, at the same time and on the same form he elects a deferral of Compensation, (b) in the case of a Stock Unit grant under 3.a., on or prior to the time an election to defer the accompanying Compensation would have been required to be made, (c) in the case of a Stock Unit grant under 3.b., at the same time as the Election referred to therein, and (d) in the case of a Stock Unit grant under 3.c., prior to the time the Director receives such grant.

- Timing of Payment: Directors may elect to begin distributions from the Accounts (a) following termination from the Board, (b) in a year specified by the Director which, in the case of distributions from the Stock Unit Account, must be after termination from the Board, or (c) in the case of distributions from the Fixed Income Account, following retirement from the Director's principal occupation.

- Manner of Payment: The Director may elect to receive payment from the Accounts in a lump sum or in a number of equal annual installments, not to exceed ten.

The lump sum or first installment is to be paid in January of the year following the year of termination or retirement or in January of the year selected by the Director, as applicable, and any remaining installments in January of each succeeding year until the total balance is paid.

Distributions from the Stock Unit Account in installments shall be based on equal numbers of Stock Units in each installment.

In the event of the death of a Director then serving as a member of the Board or a terminated or retired Director entitled to a distribution under this Plan, the balance of the Accounts shall be payable to the estate or designated beneficiary in full during the January of the year following the year of such Director's, terminated Director's or retired Director's death.

The Director may designate his beneficiary at the same time he elects deferral of Compensation. However, the latest designated beneficiary will be the beneficiary or beneficiaries for the total of all distributions from the Accounts. The designated beneficiary may be changed at any time on a form provided by the Corporate Secretary, provided that no designation will be effective unless it is filed with the Corporate Secretary prior to the Director's death.

8. Unfunded Plan

The liability of Union Pacific Corporation to any Director, terminated Director, retired Director or his estate or designated beneficiary under the Plan shall be that of a debtor only pursuant to such contractual obligations as are created by the Plan, and no such obligation of the Union Pacific Corporation shall be deemed to be secured by any assets, pledges, or other encumbrances on any property of Union Pacific Corporation.

9. Inalienability of Deferred Compensation

Except to the extent of the rights of a designated beneficiary, no distribution pursuant to, or interest in, the Plan may be transferred, assigned, pledged or otherwise alienated and no such distribution or interest shall be subject to legal process or attachment for the payment of any claims against any individual entitled to receive the same.

10. Controlling State Law

All questions pertaining to the construction, regulation, validity and effect of the Plan shall be determined in accordance with the laws of the Commonwealth of Pennsylvania.

11. Amendment

The Board of Directors of Union Pacific Corporation at its sole discretion may amend, suspend or terminate the Plan at any time. However, any such amendment, suspension or termination of the Plan may not adversely affect any Director's or his beneficiary's rights with respect to Compensation previously deferred.

12. Administration

Administration of the Plan will be coordinated by the Corporate Finance Department. Administration will include, but not be limited to, crediting of deferred compensation, dividends and accrued interest to individual Director accounts and ultimate disbursement of deferred amounts.

13. Effective Date

This Plan shall become effective December 1, 1978, applicable only to compensation for services after December 31, 1978, provided that the provisions hereof related to Stock Units shall be effective January 1, 1995.

EXHIBIT 10(z)

UNION PACIFIC CORPORATION

BOARD OF DIRECTORS' CHARITABLE CONTRIBUTION PLAN

PURPOSE

- The purpose of the Plan is to provide the Corporation and the Board of Directors an opportunity to jointly provide substantial future contributions to select charitable organizations, including the Union Pacific Foundation.

ELIGIBILITY

- All current Directors of Union Pacific Corporation are eligible to participate in the Union Pacific Corporation Board of Directors' Charitable Contribution Plan. Persons who are elected to the Corporation's Board of Directors after September 29, 1988, the date of adoption of the Plan, will become eligible upon election.

- Former Directors of the Corporation will continue to participate in the Plan after ceasing service as a Director. However, former Directors, whose service ceased prior to September 29, 1988, shall not be eligible to participate in the Plan.

VESTING

- Directors will be fully vested in the Plan upon the completion of sixty full months of service as a Director. Directors who are fully vested may recommend a $500,000 charitable donation, while charitable donations on behalf of Directors who have served for less than sixty months will be disbursed as follows:

MONTHS OF SERVICE	AMOUNT TO RECOMMENDED UNION PACIFIC FOUNDATION	AMOUNT TO EXTERNAL CHARITY(IES)
Less than 12	$900,000	$100,000
12-35	800,000	200,000
36-47	700,000	300,000
48-59	600,000	400,000
60 or more	500,000	500,000

- Service as a Director prior to September 29, 1988, the date of the adoption of the Plan, shall be considered as eligible service for purposes of computing the sixty month vesting period.

CHARITABLE CONTRIBUTION

- The Corporation will contribute to the Union Pacific Foundation and the charity(ies) recommended by the Director $1,000,000 in the Director's name. The division of the contribution between the Union Pacific Foundation and the charity(ies) recommended by the Director will be determined in accordance with the above vesting schedule.

- The charitable contribution will be made subsequent to the participant's death, but in no event any later than ten years following the participant's death.

RECOMMENDATION OF CHARITABLE BENEFICIARY

- Each Director must complete a <u>Charitable/Non-Profit Organization Recommendation Form</u> (Attachment A).

- Each Director may recommend one or more charities to receive up to $500,000. However, no more than two charities may be recommended by any one Director, and the amount of the recommended contribution must be not less than $100,000 to any one charity. If a Director terminates service prior to being fully vested in the Plan, the amount paid to the recommended charity or charities will be reduced in accordance with the above vesting schedule. If more than one charity is recommended, the reduction will be calculated on a pro-rata basis unless the beneficiary recommendation form provides otherwise.

- Each charity recommended by a Director must be a tax-exempt organization under Section 501 of the Internal Revenue Code.

. Each recommendation of a charitable beneficiary by the Director may be revised by filing a new form with the Secretary of the Corporation. In addition, the Corporation reserves the right to select a different beneficiary if the recommended organization ceases to qualify as a tax-exempt organization or the Corporation determines that the activities of the recommended organization are not or cease to be compatible with the goals and objectives of the Corporation's philanthropic program.

. Each charity recommended by a Director will receive a letter from the Corporation similar to the sample shown in Attachment B.

MISCELLANEOUS PROVISIONS

. The Corporation will purchase a life insurance policy or policies insuring the lives of the Directors. The Corporation will be the owner and beneficiary thereof. Directors shall have no rights or beneficial ownership interests in any such policy or policies acquired by the Corporation.

. A participant Director's rights and interest under the Plan may not be assigned or transferred.

. The expenses of the Plan shall be borne by the Corporation. No contribution from a Director shall be acquired nor shall a Director forego other compensation or benefits to participate.

. The Plan may be amended or terminated at any time by the Board as the Board shall deem advisable.

ATTACHMENT A

UNION PACIFIC CORPORATION
BOARD OF DIRECTORS' CHARITABLE CONTRIBUTION PLAN
CHARITABLE/NON-PROFIT ORGANIZATION RECOMMENDATION

Pursuant to the provisions of the Union Pacific Corporation Board of Directors' Charitable Contribution Plan, I understand that I may recommend up to two charitable/non-profit organizations to receive a total of $500,000 in may name, if I have completed five years of service as a Director of the Corporation, in the amounts of $100,000 or more for each. In recognition of the above, I hereby make the following beneficiary recommendations as of the date set forth herein:

CHARITABLE/NON-PROFIT ORGANIZATION	ADDRESS OF ORGANIZATION	AMOUNT
1.___________________	_____________________	$____________________
_____________________	_____________________	_____________________
2.___________________	_____________________	$____________________
_____________________	_____________________	_____________________

I understand that if I served for less than five years as a Director prior to my death, the Corporation will prorate its contributions to the charitable organization(s) recommended above according to the vesting schedule expressed in the Union Pacific Corporation Board of Directors' Charitable Contribution Plan and in the same proportion as indicated above unless I instruct the Corporation in writing to the contrary.

I understand that the organization(s) I select must be qualified as tax-exempt under Section 501 of the Internal Revenue Code. I also understand that the Corporation reserves the right to make the donation to another organization if my recommended organization is not, or ceases to be qualified under Section 501 of the Internal Revenue Code, or to be compatible with the Corporation's philanthropic program. I understand that the Plan may be amended or terminated at anytime by the Board of Directors as the Board shall deem advisable.

I further understand that this beneficiary recommendation may be revoked or revised by me prior to my death. This recommendation will, in fact, be revoked if I complete a Charitable/Non-Profit Organization Recommendation Form of later date and file it with the Secretary of the Union Pacific Corporation. I understand that in order to make this change of beneficiary recommendation valid, I must receive in writing a confirmation from the Secretary of Union Pacific Corporation.

_____ ________________________

Dated Director's Name

____

Director's Signature

ATTACHMENT B

Sample Letter to Recommended Charitable/Non-Profit Organization

Date

Mr./Mrs.___________________
Executive Director
Organization Name
Address
City, State, Zip

Dear ___________________:

On behalf of Union Pacific Corporation, I am pleased to inform you that your organization has been recommended as a potential beneficiary of $_______ at the request of (Director's Name), a member of our Board of Directors and a participant in our Directors' Charitable Contribution Plan.

Under this program, (Director's Name) has requested that $________ be donated to your organization by Union Pacific Corporation no later than ten (10) years following his/her death. Please be aware that this is a revocable recommendation, and at the Corporation's or the Director's discretion, may be changed or terminated at any time during his/her lifetime. In addition, if (Director's Name) terminates his service on the Board prior to having five years in service, the amount of the contribution will be reduced.

There is no action required on the part of your organization to participate in this program.

We are delighted that your institution has been recommended for a future donation. In addition to supporting the personal commitment of (Director's Name) to your activities, Union Pacific Corporation is pleased to have the opportunity to encourage your continued valuable contributions to society at large.

Very truly yours,

Drew Lewis
Chairman of the Board and
Chief Executive Officer

EXHIBIT 11

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATION OF EARNINGS PER SHARE

FOR THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
(In Thousands, Except Per Share Amounts)

	1995	1994	1993
Weighted average number of shares outstanding	204,930	205,105	204,854
Average shares issuable on exercise of stock options less shares repurchasable from proceeds	825	502	660
Weighted average number of shares used in computation of earnings per share	205,755	205,607	205,514
Income from continuing operations	$619,289	$568,631	$ 411,775
Income (loss) from discontinued operations (a)	326,542	(22,429)	234,550
Cumulative effect to January 1, 1993 of changes in accounting principles (b)	--	--	(116,194)
Net Income	$945,831	$546,202	$ 530,131
Earnings per share:			
Income from continuing operations	$ 3.01	$ 2.76	$ 2.00
Income (loss) from discontinued operations (a)	1.59	(0.10)	1.14
Cumulative effect to January 1, 1993 of changes in accounting principles (b)	--	--	(0.56)
Net Income	$ 4.60	$ 2.66	$ 2.58

(a) All computations have been restated to reflect Resources and USPCI as discontinued operations (See Note 2 to the Financial Statements).

(b) See Note 4 to the Financial Statements regarding the 1993 accounting changes.

EXHIBIT 12

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
RATIO OF EARNINGS TO FIXED CHARGES (A)
(Thousands of Dollars, Except for Ratio)

	1995	1994	1993	1992	1991	1991 Without Special Charge
Earnings from continuing operations (b/c)	$ 619,289	$ 568,631	$ 411,775	$ 455,967	$(123,470)	$ 397,930
Deduct distributions to extent less than income of affiliates	(23,893)	(43,663)	(32,426)	(22,278)	(10,559)	(10,559)
Total	595,396	524,968	379,349	433,689	(134,029)	387,371
Income taxes (c):						
Federal, state and local	313,590	329,586	317,913	265,536	(29,227)	239,373
Fixed charges:						
Interest expense including amortization of debt discount	450,182	347,188	311,698	342,479	372,891	372,891
Portion of rentals representing an interest factor	65,258	41,975	33,224	34,897	37,696	37,696
Total	515,440	389,163	344,922	377,376	410,587	410,587
Earnings available for fixed charges	$1,424,426	$1,243,717	$1,042,184	$1,076,601	$ 247,331	$1,037,331
Fixed charges - as above	$ 515,440	$ 389,163	$ 344,922	$ 377,376	$ 410,587	$ 410,587
Interest capitalized	--	--	224	50	1,038	1,038
Total	$ 515,440	$ 389,163	$ 345,146	$ 377,426	$ 411,625	$ 411,625
Ratio of earnings to fixed charges	2.8	3.2	3.0	2.9	0.6	2.5

(a) All information presented has been restated to reflect Resources and USPCI as discontinued operations (See Note 2 to the Financial Statements).
(b) Before cumulative effect of changes in accounting principles of $116 million after tax in 1993 (See Note 4 to the Financial Statements).
(c) In 1993, income from continuing operations and income taxes included the impact of the adoption of the Omnibus Budget Reconciliation Act of 1993 (See Notes 4 and 7 to the Financial Statements).

UNION PACIFIC CORPORATION

PAGES 5 THROUGH 53, INCLUSIVE, OF UNION PACIFIC'S ANNUAL REPORT TO STOCKHOLDERS FOR THE YEAR ENDED DECEMBER 31, 1995, BUT EXCLUDING PHOTOGRAPHS SET FORTH ON PAGES 5 THROUGH 21, NONE OF WHICH SUPPLEMENTS THE TEXT AND WHICH ARE NOT OTHERWISE REQUIRED TO BE DISCLOSED IN THIS ANNUAL REPORT ON FORM 10-K.

Union Pacific Railroad

	1995	1994	1993
Operating revenues (millions)	$6,326	$5,318	$4,987
Operating income (millions)	$1,384	$1,173	$1,042
Carloadings (thousands)	5,568	4,991	4,619
Operating ratio	78.1	77.9	79.1

Engineer Dale Rhoades, a railroader since 1971, runs one of the nearly 25 Union Pacific coal trains that cross the recently double-tracked Nacco Bridge every day in Wyoming's Powder River Basin.

Efforts like Dale's helped the Railroad move a record amount of freight in 1995, despite a sluggish operating environment in the second half of the year. The Railroad achieved net income of $867 million, a 15 percent increase over last year's $754 million. Carloads rose nearly 12 percent overall, including incremental carloadings from the Chicago and North Western (CNW) consolidation.

Despite the effects of bringing the CNW on line, the Railroad's operating ratio remained essentially flat - 78.1 in 1995 compared to 77.9 in 1994. The 1995 operating ratio held even with 1994 on a pro forma basis. Revenue per car improved to $1,097, a 5 percent gain from 1994, primarily a result of increased haul lengths from the CNW acquisition.

Strengthening the System

Last year two significant developments took place that will change the physical shape of the Railroad and be linchpins to its future operations. One has been completed, while the other is under regulatory review.

Chicago and North Western Merger

In the second quarter, Union Pacific completed its merger with the CNW. As part of the Railroad system, the CNW lines immediately strengthen UPRR's capacity to compete in many western freight corridors, lengthen coal shipments out of the Powder River Basin, fortify grain hauls from the upper Midwest, and improve intermodal traffic from the major West Coast ports to the Midwest.

As the Railroad began a swift merging of the CNW into its system, a record grain harvest, high export demand and an increased average length of haul - combined with reduced locomotive availability (partially due to manufacturing delays) - resulted in operating difficulties. To resolve these issues, the Railroad immediately initiated a multifaceted plan to return operations to previous levels.

Agreement to Acquire the Southern Pacific

In August, an agreement was reached calling for the merger of the Southern Pacific (SP) with Union Pacific. This $5.4 billion transaction would form North America's largest railroad, a 37,000-mile network connecting 25 states, serving both Mexico and Canada.

(One photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

(Two photographs, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Combining the SP with Union Pacific adds to the Railroad's ability to compete head-to-head with the Burlington Northern Santa Fe.

This transaction is aimed at providing extensive new single-line service, faster schedules, more frequent and reliable service, shorter routes, and improved equipment utilization. Specific areas of anticipated business growth include intermodal traffic between the Memphis and New Orleans gateways and from Texas to the West Coast, and transportation of food, paper and forest products from the West Coast to the East and the South, as well as increased movement of Midwest grain and grain products to the West. For the Railroad, total economic benefits from the proposed merger are estimated to be $660 million per year, once the merger is fully implemented.

To preserve or intensify rail competition in anticipation of the UP/SP merger, a comprehensive agreement with Burlington Northern Santa Fe was announced in September. Under the agreement, UP/SP will share more than 3,800 miles of track with BNSF under trackage rights and sell more than 335 miles of track to BNSF. This agreement backs up a UP promise to customers to bring strong rail competition to every point that would lose a two-carrier option.

Management Change

In July, Ron Burns was named president and chief executive officer at the Railroad, replacing Dick Davidson, who was elected chief operating officer of Union Pacific Corporation. Burns, who joined the Railroad August 1, has begun a number of employee involvement initiatives throughout the Railroad and has created the Customer Service Planning and Delivery Group to focus on improving day-to-day customer service and train operations.

Highlights for 1995

With the addition of the CNW to the Railroad's base business, carloadings improved across UPRR's diverse mix of commodities. The Railroad achieved record shipments of grain in 1995, hauling more than 616,000 carloads, a 53 percent increase from last year.

Coal was another commodity that performed well, as UPRR hauled nearly 1.4

million carloadings, up 9 percent from 1994. Over 100 million tons came out of the Powder River Basin as demand for the basin's low-sulfur fuel grew. To meet customer needs, important links along this high-traffic route have been triple-tracked, with quadruple tracking planned for the North Platte yard area this year.

Increased business in Mexico, improved vehicle handling and dedicated train service helped UPRR raise its auto traffic 15 percent in 1995. Contracts with both Chrysler and General Motors in Mexico provided solid growth, as did increased shipments of sport utility vehicles in the United States. The Railroad anticipates steady auto traffic with these two markets throughout 1996.

A strong first half of the year helped chemicals record a 10 percent gain in volume and an 8 percent increase in revenue. Soda ash business was strong, as exports reached record levels. New markets in potash produced record shipments as well. While the petrochemical industry was flat in 1995, the Railroad looks for expansion in the plastics business to bolster that commodity in the coming year.

Heading into 1995, the Railroad expected intermodal traffic to resume its long-term growth trend. A softer economy reduced volumes 2 percent to 1.4 million loads. With a greater commitment to customer service, the Railroad expects to increase its intermodal business to the ports on the Gulf of Mexico and the West Coast.

Mexico

With continued strength in the auto segment and an anticipated resurgence in intermodal traffic, the Railroad continues to view Mexico as a solid market for future business, despite a downturn in the Mexican economy in 1995. A 25 percent increase in UPRR's automotive volumes almost offset the drop in intermodal traffic, while all other commodities remained relatively flat.

During the second half of 1996, the Mexican government is expected to grant concessions to private companies bidding to run its rail system. Union Pacific will be evaluating whether to make significant capital investments in the network along with a Mexican partner.

(Two photographs, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

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Overnite Transportation

	1995	1994	1993
Operating revenues (millions)	$ 976	$1,037	$ 939
Operating (loss)income (millions)	$ (49)	$ 67	$ 69
Operating ratio (a)	103.0	91.3	90.2

(a) Excludes goodwill amortization.

Bob Kowalski has been carrying the ball for Overnite for nine years. So it is natural for him to deliver Wilson footballs to Giants Stadium from the nearby Moonachie, New Jersey terminal.

Overnite carries Wilson sporting goods, from tennis balls to footballs, to major arenas all over the country - as one of its many alliances with America's leading manufacturers.

Unfortunately, in 1995 Bob and his colleagues operated in one of the worst pricing environments in many years, with over-capacity throughout the industry and severe pressure from regional carriers. A sluggish economy also contributed to a 4 percent decline in Overnite's volumes. These factors - coupled with the disruption of a year-long attempt by the Teamsters to unionize Overnite - resulted in a loss of $10 million in 1995 before goodwill, compared to earnings of $64 million before goodwill in 1994.

Turning Overnite Around

Adapting to this highly competitive environment, Overnite has embarked on a program to return to profitability, implementing a blueprint to make itself leaner and more efficient.

To carry out this plan, teams have analyzed and are putting into place operating practices to improve every aspect of the business, including:

- Increasing loading-dock efficiency, simplifying layouts, and improving outbound and inbound scheduling.

- Improving terminal operations, which includes slimming down the complicated pickup-and-delivery operations at each service center, largely by introducing greater efficiency in routing and scheduling patterns.

- Streamlining line-haul movements, which involves moving more on each trailer and closing down under-utilized lanes.

- Rationalizing capacity throughout the system to reduce light or empty backhauls.

- Concentrating sales efforts on freight best suited to Overnite's service capabilities, with particular focus on commodities, lanes, and other characteristics that match the company's operational strengths.

- Analyzing general and administrative practices throughout the company to lower costs and to make Overnite's entire infrastructure more efficient.

(One photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Higher Productivity the Key

The driving force behind these initiatives is to increase productivity and service at every level - to become a trimmer and more customer-oriented organization, from the headquarters to the most distant loading dock. This process-driven effort is designed to reduce costs substantially while improving service capabilities and reliability.

Every initiative has quantitative benchmarks and specific goals, with cost-cutting and flexibility the key thrusts of Overnite's campaign to improve its operating ratio significantly.

Another part of Overnite's re-engineering campaign is a reexamination of its commodity mix and its effect on profits. The company will focus on shipping higher-margin, less cyclical commodities, a natural fit with its strategy to upgrade its line-haul structure and its terminal performance.

Centralized Dispatching

At the heart of Overnite's top-to-bottom effort to streamline every operation is its Richmond-based, Computerized Central Dispatching (CCD) System. Phase I of CCD, which is already on line, automates all extra loads from every service center, while Phase II, which will begin operating in mid-year, tracks all line-haul traffic. CCD will soon be able to monitor freight throughout the 175 service centers in the company's network on a daily basis. Phase III, scheduled for early 1997, will optimize the match between drivers and loads, long a problem in the trucking industry.

The main goal of CCD and its companion system - Overnite's Centralized Customer Service and Billing Center - is to improve on-time deliveries to industry-high levels and to enhance customer service. These operations are the future of Overnite.

One photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

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Skyway Freight Systems

Tiffany Zermatten, a program coordinator in Dallas, is top gun when it comes to processing Hewlett-Packard monitors from Exeter, New Hampshire and Sacramento, California.

These monitors will be made customer-ready and shipped for on-time delivery to Hewlett-Packard divisions, a service that helped make 1995 a successful year for Tiffany and her co-workers at Skyway Freight Systems.

Skyway capitalized on a strong logistics and expedited transportation market to boost revenues 22 percent to over $150 million in 1995. Its ability to manage the entire flow of operations - from receiving components to delivering finished products - brought customers critical time and cost savings as well as reliability in marketplaces throughout North America.

Skyway has been able to grow its business by developing customized logistics packages that include the most customer-sensitive services and applications. The company's cross-functional customer teams manage each account, often with on-site support. These teams, coupled with a globally integrated transportation and tracking system, can take days or even weeks out of a customer's cycle time - the total period required to bring goods to market. And to ensure the best customer service, Skyway has established partnerships with the best possible providers of transportation.

Working with Union Pacific Technologies, Skyway is developing the next generation of its global shipment-tracking system that will give customers unique product control. This enables them to monitor shipments down to the part number, which significantly reduces the costly movement of real inventory and provides just-in-time capabilities to companies large and small. Skyway has also developed a shipment-tracking program that can be accessed on the Internet.

Using its unique transportation software packages, Skyway increased its total tonnage by 17 percent in 1995. Customers benefited from Skyway's new carrier optimization program, providing the best delivery information based on a customer's preference for either price or routing.

(One photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Union Pacific Resources

	1995	1994 (c)	1993
Operating revenues (millions)(a)	$1,456	$1,333	$1,277
Operating income (millions)(a)	$ 470	$ 351	$ 383
Proved reserves (Bcfe) (b)	3,277	3,054	2,673
Equity production (Bcfe)(b)	525	471	417

(a) 1995 includes $123 million from the Columbia Gas settlement.
(b) Oil and natural gas liquids converted on a BTU basis to cubic feet of gas equivalent on a ratio of one barrel of oil to 6,000 cubic feet of gas.
(c) Includes the first quarter 1994 acquisition of Amax Oil & Gas, Inc.

Jack Bentley has every reason to smile. As UP Resources' mechanical foreman for the Ozona area in West Texas, he was part of a team that upgraded its two processing facilities, increasing total capacity more than 100 percent to 180 million cubic feet of natural gas a day in 1995.

UP Resources (UPR) is the nation's premier independent oil and gas company and has consistently performed well in a flat-price world. Despite a difficult pricing environment, UPR, as a stand-alone company, had a strong earnings year in 1995, with net income of $351 million, including $79 million from the Columbia Gas bankruptcy settlement. Earnings in 1994, including $100 million from the Wilmington oil field sale, were $390 million. UPR produced 11 percent more equity gas and oil (on a barrels of oil equivalent basis), which partially offset a 21 percent decline in gas price realizations.

In October 1995, the corporation completed an initial public offering of 17 percent of UP Resources' common stock at $21 a share. The remaining 83 percent of the shares will be distributed to UP stockholders upon a ruling from the IRS that the transaction is tax-free and upon the completion or termination of the Southern Pacific merger.

Broad Production, Exploration Gains

In 1995, UPR maintained its ranking as the country's leading independent exploration and production company in a broad range of categories. Compared with its domestic peers, UP Resources was first in profitability, sales volumes, net undeveloped acreage and operated rigs. These accomplishments are based on one of the most focused operating strategies in the industry.

In the Austin Chalk play in South and East Texas, UP Resources increased production 13 percent, the seventh annual gain. Since 1988, UPR has completed more than 1,100 horizontal wells in the trend. In 1995, the company stretched this play into western Louisiana, drilling a very promising well and participating in four others that could lead to substantial gas gains throughout this region.

(One photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

(Two photographs, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

South Louisiana provides another fine prospect for redevelopment of previously played-out areas. In a 200-mile-wide region of bayous and swamps, UP Resources is capitalizing on a large bank of 3-D seismology. The company expects to participate in up to 15 wells in 1996 - tapping both the shallow and deep formations. Wells in this area can produce up to 15 million cubic feet a day - with productive lives of seven to 10 years - in fields that have been prolific for many decades.

Ozona Developments

Farther west in the Ozona field, the company has doubled gas processing capacity and drilled over 400 wells since acquiring this area in early 1994. In this region, UPR has reduced drilling costs 30 percent, and 3-D seismic data is being acquired to explore deep formations. In 1995, the company drilled three horizontal wells in deeper formations in the Ozona field.

Up north, on the 7.5 million acre Land Grant, UPR - with the Department of Energy (DOE) providing the majority of the funding - drilled a 16,500-foot well to test the commercial potential of the huge gas reserves in southwestern Wyoming. The DOE estimates that trillions of cubic feet of gas lie in this region, with up to 30 percent under the Land Grant. Farther east, in the Red Desert area, the company has completed 400 square miles of 3-D seismic surveys, which could generate several promising drilling programs.

Marketing Innovations

By the end of 1995, about 80 percent of UPR's output was gas and plant liquids. For several years, UP Resources' marketing subsidiary, Union Pacific Fuels, Inc., has been marketing gas directly to customers, bypassing pipelines and intermediaries.

(One photograph, not incorporated by reference - see prefacing comment on Exhibit 13 Cover Page.)

Union Pacific Technologies

Keita Stuckey joined Union Pacific Technologies (UPT) four years ago after learning about opportunities at a recruiting fair (similar to the one pictured) for University of Arkansas-Pine Bluff students.

Keita, who is well-schooled in computer technology and transportation software, has helped Technologies deliver application programs to the corporation's operating companies and other commercial businesses.

Within the corporation, UPT's most intensive project in 1995 was implementing the Transportation Control System (TCS) on the Chicago and North Western (CNW) lines, bringing CNW into the Railroad's operating system. Technologies coordinated over 700 different activities, made significant software changes to handle unique CNW operating requirements, and provided support for training over 2,000 employees at more than 80 sites, all of which was instrumental to the successful CNW cutover.

With Overnite, Technologies helped to launch an advanced Computerized Central Dispatching System and made several major enhancements to its Centralized Customer Service and Billing System. UPT also developed a logistics modeling capability to support marketing and sales and provided this program to Skyway, which is using it to create proposals for a variety of potential and existing customers.

In commercial business, Technologies implemented its TCS System on the Algoma Central (a Canadian railroad owned by the Wisconsin Central) and on the Alton & Southern Railroad, a terminal railroad that manages the flow of traffic through the St. Louis gateway. Shipment management continues to be a growing business for UPT, with the company monitoring over 50,000 shipments a month for its commercial clients.

Technologies also made headway in its international business. Working with the National Railway of Mexico, Technologies has now installed TCS car and train reporting at 40 locations and yard inventory management at 26 locations. Expansion will continue throughout 1996. Technologies also has met with a number of European railroads interested in its engineering applications and has completed a feasibility study for the Italian railroad.

FINANCIAL REVIEW

CONSOLIDATED RESULTS OF OPERATIONS

This review should be read with the financial statements, notes and supplementary information.

CORPORATE REORGANIZATION

WASTE MANAGEMENT DIVESTITURE - At year-end 1994, Union Pacific Corporation (UPC or the Corporation) completed the sale of its waste management subsidiary, USPCI, Inc. (USPCI) for $225 million in notes that were subsequently collected in January 1995. The sale resulted in a loss of $600 million ($404 million after tax). In addition, 1994 results included an $8 million net loss from USPCI's operations (see Note 2 to the Financial Statements).

CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (CNW) - In March 1995, the Corporation executed a definitive merger agreement to acquire the remaining 71.6% of CNW's outstanding common stock not previously owned by UPC for $1.2 billion. Under this agreement, UPC initiated a cash tender offer in March 1995 for all outstanding CNW shares at $35 per share, which was completed in late April 1995. The acquisition of CNW was accounted for as a purchase and CNW's financial results were consolidated into UPC beginning in May 1995 (see Note 3 to the Financial Statements).

NATURAL RESOURCES DIVESTITURE - In July 1995, UPC's Board of Directors approved a formal plan to exit its natural resources business. The plan includes an initial public offering (IPO) of Union Pacific Resources Group Inc.'s (Resources) common stock followed by the distribution of UPC's interest in Resources to the Corporation's stockholders on a tax-free, pro-rata basis.

The IPO of Resources was completed in October 1995 and consisted of 42.5 million shares of common stock or 17.1% of Resources' outstanding common stock. The IPO was priced at $21 per share and generated net proceeds of $844 million. In connection with the IPO, Resources distributed to UPC by dividend $1,562 million ($912 million in cash and $650 million in notes bearing interest at 8.5% per annum), and an intercompany balance of $59 million (see Note 2 to the Financial Statements).

The Corporation expects that the final distribution of Resources will occur once UPC has received a favorable ruling from the Internal Revenue Service on the tax-free nature of the distribution and after the completion or termination of the acquisition of Southern Pacific Rail Corporation (Southern Pacific). UPC anticipates that these events will occur in mid-to-late 1996.

SOUTHERN PACIFIC ACQUISITION - In August 1995, UPC and Southern Pacific entered into a definitive merger agreement (the Agreement) providing for the acquisition of Southern Pacific by UPC. Under the terms of the Agreement, UPC acquired 25% of Southern Pacific's common stock in a first-step cash tender offer. Following approval of the Southern Pacific acquisition by the Surface Transportation Board (STB) of the Department of Transportation--the successor to the Interstate Commerce Commission--UPC will complete the acquisition of Southern Pacific by exchanging each of the remaining Southern Pacific common shares, at the holder's election and subject to proration, for $25 or 0.4065 shares of UPC common stock. As a result, UPC will convert 60% of Southern Pacific's outstanding shares immediately before the acquisition into shares of UPC common stock, with the remaining 40% of the outstanding shares, including the shares acquired in the first-step cash tender offer, being acquired for cash.

UPC completed the first-step cash tender offer in September 1995 pursuant to which approximately 39 million common shares or 25% of the outstanding common shares of Southern Pacific were acquired by UPC at $25 per share. UPC deposited these shares in an independent voting trust pending STB approval of the acquisition of Southern Pacific (see Note 3 to the Financial Statements).

The Corporation filed an application for control of Southern Pacific with the STB in late November 1995. The STB has adopted an expedited schedule under which it intends to render a final decision within 255 days of filing the original application. Should the acquisition of Southern Pacific not be approved by the STB, or should the STB impose onerous approval conditions, the Corporation may be required to or may choose to dispose of its initial investment in Southern Pacific. Such a disposition could cause

(Two Graphs of Union Pacific Corporation Operating Revenues)

Millions	1991	1992	1993	1994	1995*
Operating Revenues	$5,687	$5,773	$6,002	$6,492	$7,486

* Includes CNW Acquisition

Operating revenues: (Pie Chart)		
	Railroad	84.5%
	Trucking	13.0%
	Other	2.5%

UPC to incur a significant loss on its investment in Southern Pacific. However, the Corporation believes that the STB will approve its application for control of Southern Pacific without onerous conditions.

1995 COMPARED TO 1994

CONSOLIDATED RESULTS

The Corporation's 1995 net income was $946 million ($4.60 per share), compared to $546 million ($2.66 per share) in 1994. Results for 1995 included the effects of the acquisition of CNW and the receipt by Resources of a $79 million after-tax bankruptcy settlement from Columbia Gas Transmission Company (Columbia) (see Note 14 to the Financial Statements). Results for 1994 included a $404 million net loss from the sale of UPC's waste management business and the benefit of a $116 million after-tax gain resulting from the sale of Resources' Wilmington field.

RESULTS OF CONTINUING OPERATIONS

CONSOLIDATED - Income from continuing operations improved $51 million (9%) in 1995 to $619 million ($3.01 per share), as a $113 million improvement at Union Pacific Railroad Company, its affiliate Missouri Pacific Railroad Company and CNW (collectively the Railroad) was partially offset by a $71 million earnings decline at Overnite Transportation Company (Overnite).

Consolidated operating revenues increased $994 million (15%) to $7.49 billion in 1995, as the Railroad's operating revenue improvement of just more than $1 billion (reflecting the acquisition of CNW, increased base carloadings and a higher average commodity revenue per car) was slightly tempered by a $61 million decline in operating revenues at Overnite.

Consolidated operating expenses rose $897 million to $6.15 billion. The addition of CNW operations, rail volume growth, rail traffic congestion in 1995 and inflation were the primary reasons for increases in salaries, wages and employee benefits ($366 million), equipment and other rents ($147 million), fuel and utility costs ($94 million), materials and supplies ($33 million), maintenance and repairs ($22 million) and third-party transportation ($17 million). Depreciation charges were up $101 million because of the CNW properties acquired and the Corporation's capital spending. Other cost increases also occurred in contracted services ($32 million), reflecting the addition of CNW; personal injury costs ($29 million), resulting from the acquisition of CNW and higher claims costs; the cost of real estate sold ($16 million), resulting from higher real estate sales activity; other taxes ($14 million), reflecting the addition of CNW; and insurance costs ($7 million) due to the absence of 1994 premium refunds.

Consolidated operating income advanced $97 million (8%) to $1.34 billion in 1995, reflecting a $211 million improvement at the Railroad partially offset by weaker operating results at Overnite. Other income increased $41 million from higher gains on property sales and interest associated with 1995 Railroad Retirement Tax claim settlements. Interest expense rose $103 million, principally from the higher debt levels associated with the CNW acquisition and the Southern Pacific first-step cash tender offer. Income from continuing operations as a percentage of operating revenues fell to 8.3% in 1995 from 8.7% in 1994, reflecting Overnite's performance decline. Return on average common stockholders' equity improved to 16.5% in 1995 from 10.9% a year ago, reflecting 1995 net income growth.

RAILROAD - The Railroad earned $867 million in 1995, a 15% increase from $754 million last year. Earnings improvements reflected the addition of CNW, base volume growth and improvements in average prices, which more than offset a $65 million after-tax increase in interest cost related to financing the CNW and Southern Pacific acquisitions. The CNW acquisition added roughly $16 million to the Railroad's bottom line in 1995.

Revenues improved $1.01 billion (19%) to $6.33 billion, as CNW business of approximately $800 million combined with a 5% improvement in average commodity revenue per car, reflecting a longer average length of haul, favorable traffic mix shifts and pricing improvements. Carloadings grew 12% (nearly 577,000 cars) year-over-year, resulting from net incremental volumes from the acquisition of CNW, and business expansion detailed as follows:

(Graph of Union Pacific Railroad Carloadings Diversity)

Carloadings Diversity:
(Pie Chart)

Intermodal	25.4%
Energy	24.6%
Metals/Minerals/Forest	14.7%
Chemicals	12.1%
Grain	11.1%
Autos	7.3%
Food/Consumer/Government	4.8%

(Graph of Union Pacific Railroad Commodity Revenue Diversity)

Commodity Revenue Diversity
(Pie Chart)

Intermodal	14.5%
Energy	21.2%
Metals/Minerals/Forest	14.4%
Chemicals	19.5%
Grain	14.2%
Autos	10.4%
Food/Consumer/Government	5.8%

INTERMODAL: Intermodal volumes decreased 2%, as the devaluation of the Mexican Peso continued to hamper southbound Mexican traffic. In addition, intermodal volumes were depressed by selective avoidance of lower-margin business and fierce competition from trucking companies with excess capacity.

ENERGY: Energy carloadings rose 9% due to increased coal traffic out of the Powder River Basin. In 1995, the Railroad averaged 22 trains per day out of the Powder River compared to 19 a year ago. Traffic gains out of the Powder River were partially countered by volume declines in other western mines, reflecting lower export demand and increased competition in coal versus hydroelectric power generation.

METALS, MINERALS AND FOREST PRODUCTS: Metals, minerals and forest products carloadings rose 25%, as CNW volumes combined with strong improvements in steel and cement shipments. Construction-related commodity shipments also improved due to favorable construction market conditions in the Midwest, Southeast and Southwest. These increases were partially offset by weaknesses in stone and nonmetallic mineral volumes, as well as lower lumber (reflecting a soft housing market) and paper shipments.

CHEMICALS: Chemical carloadings improved 10%, as additional CNW volumes combined with higher domestic and export soda ash shipments. These volume gains were partially countered by lower fertilizer shipments (reflecting limited car supplies), decreased hazardous waste volumes (due to the completion of several major remediation projects) and lower liquid and dry chemical movements (caused by poor economic conditions in the chemical industry).

GRAIN AND GRAIN PRODUCTS: Grain carloadings grew 53% over last year, reflecting not only the addition of CNW volumes, but also carloading improvements caused by greater export demand. Higher exports were led by corn movements to the Pacific Rim and China, and an increase in wheat carloadings. Despite significant year-over-year growth, grain shipments were hampered by congestion, and crew and power shortages in 1995.

AUTOMOTIVE: Auto shipments rose 15% despite lower industry sales. Volume growth came from the addition of CNW volumes, strong northbound Mexican business for finished vehicles and increased auto part shipments.

FOOD, CONSUMER AND GOVERNMENT: Food, consumer and government carloadings improved 1%, as increased volumes from the addition of CNW were mitigated by merger-related service interruptions in 1995 and lower transportation equipment shipments.

Operating expenses rose $797 million to $4.94 billion in 1995. Incremental CNW volumes, inflation and system congestion (caused by the late arrival of new power and amplified by the CNW integration) were the principal drivers causing an escalation in salaries, wages and employee benefits ($301 million), rent expense ($150 million), fuel and utility costs ($92 million), materials and supplies expense ($32 million), contracted services ($31 million) and maintenance and repairs ($22 million). Depreciation rose $100 million, reflecting the addition of CNW properties and continued capital spending. Personal injury expense rose $28 million, reflecting the addition of CNW and higher average settlement costs, while other taxes increased $19 million--primarily the result of the CNW consolidation.

Operating income improved $211 million (18%) to $1.38 billion in 1995, while the operating ratio increased to 78.1 in 1995 from 77.9 last year. On a pro forma basis, including CNW in 1994 results, the operating ratio would have been flat year-over-year.

TRUCKING - Overnite's operating environment was extremely difficult throughout 1995. The major factors affecting Overnite's operations were aggressive pricing from regional less-than-truckload (LTL) and truckload carriers, soft volumes caused by industry overcapacity, incremental expenses associated with attempts by the International Brotherhood of Teamsters (Teamsters) to unionize certain Overnite service centers and ongoing operational inefficiencies associated with declining volumes. As a result, Overnite reported a $30 million net loss in 1995, compared to $41 million of net income last year. Results include goodwill amortization of $20 million in 1995, $3 million less than a year ago because of a favorable tax settlement related to the deductibility of intangible assets (see Note 7 to the Financial Statements).

(Graph of Union Pacific Resources Equity Production Volumes)

Bcfe (1 Bbl:6,000 cfe)

	1991	1992	1993	1994	1995
Equity Production Volumes	363	402	417	471	525
Natural Gas	195	211	226	282	343
NGLs	46	45	46	51	66
Crude Oil	122	146	145	138	116

(Graph of Union Pacific Resources Production Costs Per Mcfe)

	1991	1992	1993	1994	1995
Production Costs per Mcfe	$0.87	$0.63	$0.60	$0.55	$0.44

Operating revenues declined $61 million (6%) in 1995 to $976 million. Volumes were down 4%, while average prices declined 3%. Operating expenses increased $55 million in 1995 to just over $1 billion. Salaries, wages and employee benefit costs increased $39 million caused by wage and benefit inflation. General and administrative costs increased $12 million--reflecting costs incurred in response to unionization efforts, an increased provision for uncollectible accounts and higher insurance costs. In addition, depreciation expense increased $5 million, reflecting continued capital spending. Overnite recorded an operating loss of $49 million in 1995, compared to operating income of $67 million last year, as the operating ratio--including goodwill amortization--increased to 105.0 from 93.6 last year.

CORPORATE SERVICES AND OTHER OPERATIONS - Expenses related to Corporate Services and Other Operations (comprising corporate expenses, third-party interest charges, intercompany interest allocations, other income and income taxes related to the corporate holding company's operations and the results of other operating units) decreased $9 million to $218 million in 1995. The decrease was largely the result of a favorable tax settlement and lower professional fees. Other operating units generated operating income of $6 million in 1995, compared to operating income of $4 million in 1994--reflecting improved operating results at the Corporation's other operations.

RESULTS OF DISCONTINUED OPERATIONS

Income from discontinued operations increased $349 million to $327 million in 1995, reflecting the absence of a loss from the sale of UPC's waste management unit in 1994.

NATURAL RESOURCES - Resources' 1995 earnings declined $39 million from a year ago to $351 million, as lower natural gas prices, higher interest costs caused by debt incurred by Resources in connection with its dividend to UPC and the absence of the 1994 Wilmington field sale were only partially mitigated by the 1995 Columbia bankruptcy settlement (see Note 14 to the Financial Statements) and higher sales volumes. UPC recognized $327 million of the $351 million of Resources' 1995 net income in discontinued operations reflecting the 17% public ownership of Resources.

Operating revenues increased $123 million (9%) to $1.46 billion. Producing property revenues declined $25 million, as the effects of a 21% decline in average natural gas prices and lower crude oil volumes (the result of the sale of the Point Arguello and Wilmington fields, and crude volume declines in the Austin Chalk) were only partially offset by a 21% increase in average natural gas sales volumes (mainly volume improvements in the Austin Chalk and the Ozona fields) and a 23% improvement in average natural gas liquids' sales volumes. Resources' extensive drilling program bolstered sales volumes, as Resources remained the most active driller in the U.S. for the fourth consecutive year. Plants, pipelines and marketing revenues climbed $63 million, largely the result of a full year of operations from the new Wahsatch pipeline and the expansion of the Panola pipeline. Other oil and gas revenues increased $90 million mainly due to the 1995 Columbia bankruptcy settlement.

Operating expenses in 1995 increased $4 million to $986 million. Production costs declined $34 million, largely due to lower production taxes--reflecting favorable production tax settlements and the effect of lower natural gas prices. Exploration costs fell $19 million from lower dry hole costs--reflecting the delay of exploration in a low price environment. These cost improvements were countered by a $33 million increase in depreciation and depletion costs (the result of higher production levels), and higher mineral, and general and administrative costs. Operating income improved to $470 million in 1995 from $351 million a year earlier.

1994 COMPARED TO 1993

CONSOLIDATED RESULTS

The Corporation reported net income of $546 million or $2.66 per share in 1994, including a net loss from discontinued operations of $22 million or $0.10 per share. The 1994 loss from discontinued operations included a net loss from the sale of UPC's waste management business of $404 million largely offset by $390 million of net income from its discontinued natural resources unit. Resources' 1994 results included a $100 million after-tax gain resulting from the 1994 sale of its Wilmington, California oil and gas operations. In 1993, the Corporation reported net income of $530

(Graph of Union Pacific Railroad Revenue Ton-Miles Per Employee)

Millions	1991	1992	1993	1994	1995
Revenue Ton-Miles Per Employee	6.58	7.21	7.66	8.21	8.82

(Graph of Union Pacific Railroad Carloadings)

Thousands	1991	1992	1993	1994	1995*
Carloadings	4,304	4,458	4,619	4,991	5,568

* Includes CNW acquisition

million or $2.58 per share, which included a $237 million after-tax charge for the 1993 accounting adjustments--$175 million ($0.85 per share) for changes in accounting methods (see Note 4 to the Financial Statements) and $62 million ($0.30 per share) from the implementation of the Omnibus Budget Reconciliation Act of 1993 (the 1993 Tax Act) (see Note 7 to the Financial Statements). A portion of the 1993 accounting adjustments is included within the results of discontinued operations (see Note 14 to the Financial Statements). Results for 1993 also included a $34 million after-tax reduction in operating results at the Railroad caused by flooding in the Midwest.

RESULTS OF CONTINUING OPERATIONS

CONSOLIDATED - The Corporation reported income from continuing operations of $568 million or $2.76 per share, compared to $412 million or $2.00 per share in 1993. Results for 1993 included $56 million from the implementation of the 1993 Tax Act and a $34 million after-tax reduction in operating results at the Railroad caused by the 1993 Midwest flood. In 1994, earnings improved at the Railroad, while earnings declined slightly at Overnite.

Operating revenues grew 8% to $6.49 billion from $6.0 billion in 1993, reflecting increased transportation volumes at the Railroad and Overnite, and the May 1993 addition of Skyway Freight Systems, Inc. (Skyway) (see Note 3 to the Financial Statements). Operating expenses rose $358 million to $5.25 billion for the period. Higher volumes, severe winter weather in the Eastern U.S. in the first quarter of 1994 and the effects of unfavorable traffic shifts at Overnite caused increases in salaries, wages and employee benefits ($83 million), equipment and other rents ($69 million), third-party transportation ($38 million), other taxes ($33 million), and materials and supplies ($15 million). Depreciation charges increased $33 million--the result of the Corporation's continued commitment to upgrade equipment and technology. Personal injury expense rose $42 million, while professional fees rose $22 million as the Corporation pursued various strategic transactions in 1994.

Operating income advanced $132 million (12%) to $1.24 billion in 1994. Other income increased $21 million to $100 million, largely the result of increased property sales at the Railroad, while interest expense declined $15 million. Income from continuing operations as a percentage of operating revenues improved to 8.7% in 1994 from 6.9% in 1993, while return on average common stockholders' equity declined slightly to 10.9% in 1994 from 11.1% in 1993.

RAILROAD - Net income at the Railroad was $754 million in 1994, compared to $540 million in 1993. Earnings in 1993 included a $129 million after-tax charge related to the 1993 accounting adjustments and the adverse effects of the 1993 flooding in the Midwest, which reduced operating results by approximately $34 million after tax.

Operating revenues improved $331 million (7%) to $5.32 billion in 1994. Higher revenues were generated by an 8% (more than 371,000 loads) rise in 1994 carloadings. Intermodal volumes improved 14% because of business expansion with the Railroad's trucking partners and growing container traffic. New coal contracts, inventory replenishment by major utilities and the absence of 1993 flood-related traffic interruptions accounted for a 13% increase in energy carloadings. Automotive traffic climbed 11%, the result of higher carloadings for both finished autos (14%) and auto parts (4%), reflecting improving economic conditions in the automotive industry. Food, consumer and government carloadings advanced 8% from improvements in the food group--mainly canned and frozen goods--and growth in the consumer segment, reflecting higher shipments of waste/recyclables and transportation equipment. Chemical carloadings also advanced 5% from 1993, reflecting increases in phosphorous, soda ash and fertilizer volumes. Grain traffic declined 6%, primarily the result of weak export markets for corn and lower fourth quarter wheat shipments, while metals, minerals and forest products traffic also declined 2%. The positive effect of higher volumes was partially offset by a 1% decline in average commodity revenue per car, largely the result of volume growth in lower-rated commodities--mainly energy and intermodal.

(Graph of Overnite Transportation Company Tonnage by Category)

Tonnage by Category	Less-than-Truckload	87.9%
(Pie Chart)	Truckload	12.1%

(Graph of Skyway Freight Systems Total Weight Shipped)

Millions of pounds

	1991	1992	1993	1994	1995
Total Weight Shipped	242	356	444	527	615

Operating expenses increased to $4.15 billion in 1994, compared to $3.95 billion in 1993. Personal injury expense rose $40 million, as a 34% decline in reportable injuries was more than offset by higher average settlement costs per injury. Wages and benefits rose $36 million, as higher volumes and inflation were partially offset by continued improvements in labor productivity, as the average workforce declined slightly year-over-year despite an 8% growth in business levels. Volume growth and inflation also accounted for a $36 million rise in equipment and other rents, a $16 million escalation in third-party transportation costs (reflecting higher intermodal shipments), and a $9 million increase in materials and supplies costs. Other taxes increased $20 million because of higher use and property taxes, while depreciation expense grew $25 million, reflecting the Railroad's continuing investment in equipment and capacity. These cost increases were partially mitigated by an $8 million reduction in fuel an utility costs, the result of lower fuel prices, hedging gains and an improved fuel consumption rate. Operating income at the Railroad advanced $131 million (13%) in 1994 to $1.17 billion. The Railroad's operating ratio improved 1.2 points to 77.9 from 79.1 in 1993.

TRUCKING - Overnite's 1994 net income was $41 million, compared to a net loss in 1993 of $38 million. Results for 1993 included $80 million of after-tax costs resulting from the 1993 accounting adjustments. Overnite's 1994 results were affected by the worst winter in decades for the Eastern U.S. and reduced efficiency associated with shifts in freight flows from shorter-haul, more profitable, intra-regional business to longer-haul traffic. Results for both periods included goodwill amortization of $23 million.

Overnite's operating revenues exceeded the $1 billion level for the first time in its history, as revenues advanced $98 million (10%) to $1.04 billion. Average prices rose 6%, reflecting the shift to longer-haul traffic, contractual rate increases and the effect of a January 1994 price increase on non-contract business. Volumes improved 4%, as a 7% rise in LTL business was partially offset by truckload traffic declines. Volume improvements were generated by the April 1994 Teamsters' strike against other unionized carriers, the third quarter 1993 bankruptcy of a major Eastern carrier and continued business expansion.

Growing volumes, the effects of the severe winter and higher miles associated with shifts in freight flows caused operating expenses to increase $100 million in 1994 to $970 million. Increases occurred in wages and benefits ($41 million), equipment rents ($27 million), mileage-based insurance and claims accruals ($9 million), taxes and licenses ($7 million), and materials and supplies ($5 million). Depreciation expense also increased $5 million from continuing capital programs. Operating income declined to $67 million in 1994 from $69 million in 1993. Overnite's operating ratio, including goodwill amortization, increased to 93.6 in 1994 from 92.7 in 1993.

CORPORATE SERVICES AND OTHER OPERATIONS - Expenses related to Corporate Services and Other Operations totaled $227 million in 1994, a decline of $14 million from 1993. Lower stock incentive compensation and increased interest charges to subsidiaries (mainly the result of subsidiaries' capital spending and pension funding at Overnite) were only partially offset by higher interest expense to third parties and increased professional fees. Other operations reported operating income of $4 million for 1994, up $3 million from 1993, as a result of the 1993 addition of Skyway and improved operating results at the Corporation's other operations.

RESULTS OF DISCONTINUED OPERATIONS

Discontinued operations generated a net loss of $22 million in 1994, compared to net income of $234 million in 1993. This decline reflects the $404 million loss on the sale of UPC's waste management business, partially offset by the absence of the effect of the 1993 accounting adjustments.

NATURAL RESOURCES - Resources reported 1994 net income of $390 million, including a $100 million after-tax gain on the sale of the Wilmington properties. This compares to 1993 net income of $244 million, which included a $65 million after-tax charge related to implementing the 1993 accounting adjustments.

Operating revenues increased $56 million from 1993 to $1.33 billion. Producing property revenues grew $56 million (7%), as natural gas sales volumes increased 24% and natural gas liquids' sales volumes rose 21%-- reflecting

(Graph of Union Pacific Corporation Cash from Continuing Operations)

Millions	1991	1992	1993	1994	1995
Cash from Continuing Operations	$ 794	$ 842	$ 975	$1,079	$1,454

the AMAX Oil & Gas, Inc. (AMAX) acquisition (see Note 14 to the Financial Statements) and higher Austin Chalk volumes. These volume increases were partially countered by a 5% decline in crude oil production (the result of the Wilmington and other field sales) and lower average realized prices for hydrocarbons. Plant, pipelines and marketing revenues advanced $32 million (15%), as increased plant volumes (created by the AMAX acquisition and new plant additions) and higher margin marketing activities overcame lower plant prices and reduced pipeline volumes. In addition, Resources' mineral revenues grew $16 million, reflecting higher spot market coal revenue. These revenue increases were partially offset by a $48 million decline in other oil and gas revenues, reflecting reduced Section 29 partnership revenues, the sale of the Harbor Cogeneration Plant and the absence of 1993 insurance settlements.

Operating expenses rose $88 million to $982 million in 1994. Depreciation and depletion charges increased $69 million from the addition of new gas processing facilities and pipelines, as well as higher production levels. Production costs increased $12 million, reflecting volume-based increases in lease operating costs and production taxes. Plant, pipelines and marketing expenses rose $6 million, primarily as a result of an increase in pipeline operating costs, reflecting the start-up of the Wahsatch Gathering System in late 1994.

Operating income declined 8% to $351 million in 1994 from $383 million in 1993. Other income increased $114 million to $174 million in 1994 due to the sale of the Wilmington field.

WASTE MANAGEMENT - Income from discontinued operations included an operating loss of $8 million in 1994 and $10 million in 1993 from UPC's waste management business sold at year-end 1994.

CASH FLOWS, LIQUIDITY AND FINANCIAL RESOURCES

In 1995, cash from continuing operations was $1.45 billion, compared to $1.08 billion in 1994. This $375 million improvement reflects higher operating results ($51 million), the sale of additional accounts receivable (see Note 5 to the Financial Statements) and improved inventory management ($114 million), and a higher proportion of non-cash expenses included in net income ($181 million). Non-cash expenses included in earnings rose as a result of higher depreciation ($101 million), increased casualty and other accruals ($64 million) and lower undistributed earnings from affiliates ($16 million).

Cash used in investing activities of $2.57 billion reflected a $1.43 billion increase over 1994, as the Corporation acquired CNW for $1.2 billion and 25% of Southern Pacific for $976 million. In addition, capital expenditures grew $182 million over 1994 largely from fleet expansion and renewal at the Railroad. These increased investments were partially countered by the receipt of $225 million in sale proceeds from the USPCI disposition, the Columbia settlement and the absence of the $725 million AMAX purchase in 1994.

Outstanding debt levels increased $1.89 billion in 1995 and included $850 million in new offerings of the Corporation's notes and debentures, $150 million of floating rate term debt, $86 million of Railroad equipment financings and $834 million in credit facility borrowings. UPC also received a cash dividend from Resources of $912 million (see Note 2 to the Financial Statements) funded by the sale of Resources' common stock to the public ($844 million) and third-party borrowings by Resources ($68 million). These funds, along with cash generated from operations, were used to finance the CNW acquisition, the investment in Southern Pacific and capital expenditures, as well as to repay maturing debt.

The quarterly common stock dividend remained at $0.43 per share in 1995. The ratio of debt to capital employed increased to 50.0% at December 31, 1995 from 46.6% at December 31, 1994. This increase reflected the higher debt levels incurred to fund the CNW acquisition and the Southern Pacific investment, partially offset by the Resources' dividend and proceeds from the sale of the Corporation's waste management business, as well as 1995 earnings.

At December 31, 1995, the Corporation had authorization from the Board of Directors to repurchase up to $327 million of the Corporation's common stock. At year-end, the Corporation had $3.7 billion of outstanding credit facilities ($1.2 billion in short-term credit facilities and $2.5 billion in long-term credit facilities expiring in 2000) of which $2.9 billion were available for use.

(Graph of Union Pacific Corporation Capital Investments)

Millions

	1991	1992	1993	1994	1995
Capital Investments	$ 667	$ 864	$ 899	$ 876	$1,058

(Graph of Union Pacific Corporation Assets)

Millions

	1991	1992	1993	1994	1995*
Assets	$12,272	$12,901	$13,797	$14,543	$19,446

* Includes CNW acquisition

OTHER MATTERS

PERSONAL INJURY - Over the past 10 years work-related injuries have declined by more than 10% annually (reflecting aggressive safety and training programs), while the average settlement cost per claim has continued to rise significantly. Annual expenses for injury-related events were $222 million in 1995, $194 million in 1994 and $154 million in 1993. Compensation for work-related accidents is governed by the Federal Employers' Liability Act (FELA). FELA's finding of fault and damage is assessed based on litigation or out-of-court settlements. In addition, the Railroad offers a comprehensive variety of services and rehabilitation programs for employees who are injured at work.

The Railroad is participating with other rail carriers in an industry-wide effort to replace FELA with a no-fault system that could significantly reduce personal injury costs while fairly compensating injured employees.

ENVIRONMENTAL COSTS - The Corporation generates and transports hazardous and nonhazardous waste in its current and former operations, and is subject to Federal, state and local environmental laws and regulations. The Corporation has identified approximately 175 sites, including approximately 50 sites currently on the Superfund National Priorities List or state superfund lists, at which it is or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. Certain Federal legislation imposes joint and several liability for the remediation of identified sites; consequently, the Corporation's ultimate environmental liability may include costs relating to other parties, in addition to costs relating to its own activities at each site.

A liability of $142 million has been accrued for future costs at all sites where the Corporation's obligation is probable and where such costs can be reasonably estimated; however, the ultimate cost could be lower or as much as 25% higher. The liability includes future costs for remediation and restoration of sites, as well as for ongoing monitoring costs, but excludes any anticipated recoveries from third parties. Cost estimates were based on information available for each site, financial viability of other potentially responsible parties (PRP), and existing technology, laws and regulations. The Corporation believes that it has adequately accrued for its ultimate share of costs at sites subject to joint and several liability. However, the ultimate liability for remediation is difficult to determine with certainty because of the number of PRPs involved, site-specific cost sharing arrangements with other PRPs, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and/or the speculative nature of remediation costs.

Remediation of identified sites previously used in operations, used by tenants or contaminated by former owners required spending of $28 million in 1995 and $43 million in 1994. The Corporation is also engaged in reducing emissions, spills and migration of hazardous materials, and spent $11 million and $14 million in 1995 and 1994, respectively, for control and prevention, a portion of which has been capitalized. In 1996, the Corporation anticipates spending $31 million for remediation and $10 million for control and prevention. The majority of the December 31, 1995 environmental liability is expected to be paid out over the next five years, funded by cash generated from operations. Future environmental obligations are not expected to have a material impact on the results of operations or financial condition of the Corporation.

LABOR NEGOTIATIONS - About 90% of the Railroad's 35,000 employees are represented by one of twelve national rail unions. In 1995, negotiations began on a new labor agreement for all craft lines. In January 1996, a tentative agreement was reached with the United Transportation Union (UTU), which represents approximately 25% of the Railroad's unionized employees. The five-year package, which is currently undergoing ratification, includes a combination of general wage increases and lump-sum payments ranging from 3% to 3.5% annually, as well as work rule flexibility. Negotiations with other craft lines will continue in 1996. Should negotiations reach an impasse, it is anticipated that the President will appoint a Presidential Emergency Board to examine the dispute and make recommendations for settlement.

(Graph of Union Pacific Resources Total Reserves)

Bcfe

	1991	1992	1993	1994*	1995
Total Reserves	2,624	2,649	2,673	3,054	3,277

* Includes first quarter AMAX acquisition

Overnite had several challenges from organized labor in 1995. During 1995, over 50 of Overnite's 175 service centers have been petitioned to hold union elections, 13 of which voted for union representation. Despite the Teamsters' Union efforts, less than 9% of Overnite's workforce has voted for union representation. Overnite has begun negotiations with the Teamsters at several of the unionized service centers. Overnite is unable at this time to estimate the impact these negotiations will have on its future operating costs or profitability. Overnite expects unionization efforts to continue in 1996.

INFLATION - The cumulative effect of long periods of inflation has significantly increased asset replacement costs for capital-intensive companies such as the Railroad and Overnite. As a result, depreciation charges on an inflation-adjusted basis, assuming that all operating assets are replaced at current price levels, would be substantially greater than historically reported amounts.

FINANCIAL INSTRUMENTS - The Corporation uses derivative financial instruments in limited instances for other than trading purposes to manage risk as it relates to fuel prices and interest rates. Where the Corporation has fixed interest rates or fuel prices by using swaps, futures or forward contracts, the Corporation has mitigated the downside risk of adverse price and rate movements; however, it has also limited future gains from favorable movements.

INTEREST RATES: The Corporation manages its overall risk to fluctuations in interest rates by managing the proportion of fixed and floating rate debt instruments within its debt portfolio over a given period. Derivatives are used in limited circumstances as one of the tools to obtain the targeted mix. The mix of fixed and floating rate debt is largely managed through the issuance of targeted amounts of each as debt matures or incremental borrowings are required. The Corporation also obtains additional flexibility in managing interest cost and the interest rate mix within its debt portfolio by issuing callable fixed rate debt securities.

FUEL: Over the past three years, fuel costs approximated 9% of the Corporation's total operating costs. As a result of the significance of the fuel costs and the historical volatility of fuel prices, the Corporation periodically uses swaps, futures and forward contracts to mitigate the risk of fuel price volatility. The intent of this program is to protect the Corporation's operating margins and overall profitability from adverse fuel price changes.

SENSITIVITY ANALYSIS: UPC had a limited number of interest rate and fuel swaps in place at year-end 1995 (see Note 5 to the Financial Statements). The related change in value of the swaps outstanding from a 5% change in market interest rates or a $0.25 change in fuel prices will not have a significant impact on the Corporation's fuel expense, interest expense or net income.

PENDING ACCOUNTING PRONOUNCEMENTS - The Financial Accounting Standards Board (FASB) issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which establishes methods for determining when an impairment of long-lived assets has occurred and for measuring the impairment of long-lived assets. Implementation of Statement No. 121 is not expected to have a material adverse effect on UPC's operating results or financial condition.

The FASB also issued Statement No. 123, "Accounting for Stock-Based Compensation," which encourages, but does not require, employers to adopt a fair value method of accounting for employee stock-based compensation, and which requires increased stock-based compensation disclosures if expense recognition is not adopted. The Corporation does not intend to elect expense recognition for stock options and therefore implementation of this Statement will have no effect on UPC's operating results or financial condition.

(Graph of Union Pacific Corporation Book Value)

Per share	1991	1992	1993	1994	1995
Book Value	$20.52	$22.75	$23.81	$24.92	$30.93

(Graph of Union Pacific Corporation Dividend History)

Per share	1991	1992	1993	1994	1995
Dividend History	$ 1.31	$ 1.42	$ 1.54	$ 1.66	$ 1.72

A LOOK FORWARD

GENERAL ECONOMIC FACTORS - The Corporation's future results can be affected by changes in the economic environment and by fluctuations in fuel prices. Several of the commodities transported by both Overnite and the Railroad come from industries with cyclical business operations. As a result, prolonged negative changes in U.S. and global economic conditions can have an adverse effect on the Corporation's operating results. In addition, operating results at the Railroad and Overnite can be affected adversely by increases in diesel fuel costs, to the extent that such costs are not recovered through higher revenues and improved fuel conservation, or mitigated by hedging activity. For risk factors related to UPC's discontinued natural resources business see Note 14 to the Financial Statements.

1996 CAPITAL SPENDING - The Corporation's 1996 capital expenditures, debt service requirements and the remaining cash purchase of the anticipated Southern Pacific acquisition will be funded primarily through cash generated from operations, note repayments from Resources required at spin-off and additional debt financings. The Corporation expects that such sources will continue to provide sufficient funds to meet cash requirements in the foreseeable future.

The Corporation expects to maintain its current level of capital spending in 1996 and beyond. Railroad-related capital expenditures will be used to continue capacity expansion on its main lines, upgrade and augment equipment to meet customer needs and develop and implement new technologies. In addition, the Corporation anticipates spending approximately $1.2 billion over a five-year period to upgrade lines, equipment and facilities once the Southern Pacific acquisition has been approved and completed. A portion of these expenditures is anticipated to be funded from the sale or lease of various operating and nonoperating properties of Southern Pacific. Overnite will continue to maintain its truck fleet and upgrade technology, while UPC may also continue to expand its core businesses through strategic acquisitions.

1996 BUSINESS OUTLOOK - Rail volumes are anticipated to improve across all commodity categories in 1996, as a result of base business growth, a full year of CNW operations and CNW consolidation efficiencies. Base volume growth will be led by continued expansion of coal business (reflecting strong demand for low-sulfur coal), development of the Railroad's intermodal business, and higher auto and auto part shipments in and out of Mexico. Significant growth is also anticipated in corn and wheat volumes (reflecting strong export demand) and chemicals--the result of new plastics business. Average commodity revenue per car is also expected to improve in 1996, reflecting the effects of longer average hauls, favorable product mix changes and price improvements.

The Railroad anticipates the completion of the Southern Pacific acquisition in the latter part of 1996. The overall impact of the Southern Pacific acquisition on the Railroad's 1996 results is anticipated to be minimal; however, the acquisition is anticipated to yield annual benefits of approximately $660 million ($612 million in operating income benefits and $48 million in capital avoidance) once the Southern Pacific's operations have been fully integrated with the Railroad's existing operations over a five-year period (90% over a three-year period) following the acquisition.

At Overnite, the unfavorable operating environment will likely continue well into 1996. Overnite is tailoring its organization to meet its changing business environment by striving to regain lost shorter-haul business, balancing traffic lanes better and implementing programs to improve operational and administrative efficiencies. These efforts are expected to partially mitigate the effects of the adverse operating environment.

INDEPENDENT AUDITORS' REPORT

(Logo-Deloitte & Touche LLP)

Union Pacific Corporation, its Directors and Stockholders:

We have audited the accompanying statements of consolidated financial position of Union Pacific Corporation and subsidiary companies as of December 31, 1995 and 1994, and the related statements of consolidated income, changes in common stockholders' equity, and consolidated cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Corporation'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 consolidated financial statements present fairly, in all material respects, the financial position of Union Pacific Corporation and subsidiary companies at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

As discussed in Note 4 to the consolidated financial statements, in January 1993, the Corporation changed its method of accounting for postretirement benefits other than pensions, income taxes and transportation revenue and expense recognition.

/s/ DELOITTE & TOUCHE LLP
New York, New York
January 18, 1996

RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The accompanying financial statements, which consolidate the accounts of Union Pacific Corporation and its subsidiaries, have been prepared in conformity with generally accepted accounting principles.

The integrity and objectivity of data in these financial statements and accompanying notes, including estimates and judgements related to matters not concluded by year-end, are the responsibility of management as is all other information in this Annual Report. Management devotes ongoing attention to review and appraisal of its system of internal controls. This system is designed to provide reasonable assurance, at an appropriate cost, that the Corporation's assets are protected, that transactions and events are recorded properly and that financial reports are reliable. The system is augmented by a staff of corporate traveling auditors supplemented by internal auditors in the subsidiary operating companies; careful attention to selection and development of qualified financial personnel; programs to further timely communication and monitoring of policies, standards and delegated authorities; and evaluation by independent auditors during their audits of the annual financial statements.

The Audit Committee of the Board of Directors, composed entirely of outside directors, as identified on page 55, meets regularly with financial management, the corporate auditors and the independent auditors to review the work of each. The independent auditors and corporate auditors have free access to the Audit Committee, without management representatives present, to discuss the results of their audits and their comments on the adequacy of internal controls and the quality of financial reporting.

/s/ DREW LEWIS
Chairman and Chief Executive Officer

/s/ L. WHITE MATTHEWS, III
Executive Vice President-Finance

/s/ MORRIS B. SMITH
Vice President and Controller

BUSINESS SEGMENTS

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1995	1994	1993
Operating Revenues	Railroad	$ 6,326	$ 5,318	$ 4,987
	Trucking	976	1,037	939
	Corporate services and other operations	184	137	76
	Total	$ 7,486	$ 6,492	$ 6,002
Operating Income (Loss)	Railroad	$ 1,384	$ 1,173	$ 1,042
	Trucking	(49)	67	69
	Corporate services and other operations	6	4	1
	Total	$ 1,341	$ 1,244	$ 1,112
Income (Loss) from Continuing Operations	Railroad	$ 867	$ 754	$ 612
	Trucking	(30)	41	41
	Corporate services and other operations	(218)	(227)	(241)
	Total	$ 619	$ 568	$ 412
Cash from Continuing Operations	Railroad	$ 1,486	$ 1,061	$ 1,074
	Trucking	37	116	44
	Corporate services and other operations	(69)	(98)	(143)
	Total	$ 1,454	$ 1,079	$ 975
Assets (at Year-End)	Railroad	$15,694	$10,455	$10,014
	Trucking	1,270	1,420	1,393
	Corporate services and other operations	2,482	2,668	2,390
	Total	$19,446	$14,543	$13,797
Depreciation and Amortization	Railroad	$ 568	$ 468	$ 443
	Trucking	64	63	58
	Corporate services and other operations	10	10	7
	Total	$ 642	$ 541	$ 508
Capital Investments	Railroad	$ 970	$ 769	$ 805
	Trucking	49	93	80
	Corporate services and other operations	39	14	14
	Total	$ 1,058	$ 876	$ 899

This information should be read in conjunction with the accompanying accounting policies and notes to the financial statements.

STATEMENT OF CONSOLIDATED INCOME

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars, Except Per Share Amounts	1995	1994	1993
Operating Revenues	Railroad, trucking and other (Note 4)	$7,486	$6,492	$6,002
Operating Expenses	Salaries, wages and employee benefits	2,826	2,460	2,377
	Equipment and other rents	769	622	553
	Depreciation and amortization (Note 3)	642	541	508
	Fuel and utilities (Note 5)	574	480	485
	Materials and supplies	377	344	329
	Other costs	957	801	638
	Total	6,145	5,248	4,890
Income	Operating Income	1,341	1,244	1,112
	Other Income - Net (Note 13)	141	100	79
	Interest Expense (Notes 5 and 8)	(450)	(347)	(362)
	Corporate Expenses	(99)	(99)	(99)
	Income before Income Taxes	933	898	730
	Income Taxes (Notes 4 and 7)	(314)	(330)	(318)
	Income from Continuing Operations	619	568	412
	Discontinued Operations(Note 2):			
	Provision for disposal of USPCI, Inc.- net of tax benefits of $196 million	--	(404)	--
	Income from operations of discontinued businesses - net of income taxes of $100 million, $127 million and $132 million in 1995, 1994 and 1993, respectively	327	382	234
	Income (Loss) from Discontinued Operations	327	(22)	234
	Income before Cumulative Effect of Changes in Accounting Principles	946	546	646
	Cumulative Effect to January 1, 1993 of Changes in Accounting Principles (Note 4)	--	--	(116)
	Net Income	$ 946	$ 546	$ 530
Per Share	Income from Continuing Operations	$ 3.01	$ 2.76	$ 2.00
	Income (Loss) from Discontinued Operations	1.59	(0.10)	1.14
	Cumulative Effect to January 1, 1993 of Changes in Accounting Principles	--	--	(0.56)
	Net Income	4.60	2.66	2.58
	Dividends	1.72	1.66	1.54

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1995	1994
Assets			
Current Assets	Cash and temporary investments	$ 230	$ 115
	Accounts receivable (Note 5)	349	396
	Inventories	238	257
	Notes receivable (Note 2)	653	228
	Income taxes receivable (Note 2)	--	241
	Deferred income taxes (Note 7)	119	--
	Other current assets	90	112
	Total	1,679	1,349
Investments	Investments in and advances to affiliated companies (Note 3)	1,260	487
	Other investments	187	170
	Total	1,447	657
Properties	Cost (Notes 3 and 6)	18,748	13,920
	Accumulated depreciation	(4,643)	(4,249)
	Net	14,105	9,671
Other	Excess Acquisition Costs - Net (Notes 3 and 7)	730	870
	Net Assets of Discontinued Operations (Note 2)	1,312	1,789
	Other Assets	173	207
	Total Assets	$19,446	$14,543

Liabilities and Stockholders' Equity			
Current Liabilities	Accounts payable	$ 145	$ 132
	Accrued wages and vacation	284	217
	Income and other taxes	178	134
	Dividends and interest	203	191
	Accrued casualty costs	192	163
	Debt due within one year	132	427
	Other current liabilities	765	736
	Total	1,899	2,000
Other Liabilities and Stockholders' Equity	Debt Due after One Year (Notes 8 and 9)	6,232	4,052
	Deferred Income Taxes (Note 7)	3,498	2,398
	Retiree Benefits Obligation(Note 10)	588	535
	Other Long-Term Liabilities (Note 12)	649	427
	Minority Interest in Consolidated Subsidiary (Note 2)	216	--
	Common Stockholders' Equity (page 37)	6,364	5,131
	Total Liabilities and Stockholders' Equity	$19,446	$14,543

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

STATEMENT OF CONSOLIDATED CASH FLOWS

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1995	1994	1993
Cash from Continuing Operations	Net income	$ 946	$ 546	$ 530
	Non-cash charges to income:			
	Depreciation and amortization	642	541	508
	Deferred income taxes (Note 7)	151	175	278
	Cumulative effect of changes in accounting principles (Note 4)	--	--	116
	Other - net	358	(260)	(231)
	(Income) loss from discontinued operations (Note 2)	(327)	22	(234)
	Changes in current assets and liabilities	(316)	55	8
	Cash from Continuing Operations	1,454	1,079	975
Investing Activities	Capital investments	(1,058)	(876)	(899)
	Cash provided (used) by discontinued operations (Notes 2 and 14)	467	(295)	(50)
	Investments and acquisitions (Note 3)	(2,146)	--	(65)
	Proceeds from sale of assets and other investing activities	168	28	47
	Cash Used in Investing Activities	(2,569)	(1,143)	(967)
Equity and Financing Activities	Dividends paid	(353)	(334)	(309)
	Debt repaid (Note 8)	(1,531)	(319)	(753)
	Financings (Note 3)	2,275	731	926
	Proceeds from Resources' stock offering (Note 2)	844	--	--
	Other-net	(5)	(1)	(10)
	Cash Provided by (Used in) Equity and Financing Activities	1,230	77	(146)
	Net Change in Cash and Temporary Investments	$ 115	$ 13	$ (138)
Changes in Current Assets and Liabilities	Accounts receivable	$ 47	$ (19)	$ (80)
	Inventories	19	(29)	(3)
	Other current assets	(281)	(307)	8
	Accounts, wages and vacation payable	80	(21)	42
	Debt due within one year	(295)	345	(12)
	Other current liabilities	114	86	53
	Total	$ (316)	$ 55	$ 8

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

STATEMENT OF CHANGES IN COMMON STOCKHOLDERS' EQUITY

Union Pacific Corporation and Subsidiary Companies

	Millions of Dollars	1995	1994	1993
Common Stock	Common Stock, $2.50 par value (authorized 500,000,000 shares)			
	Balance at beginning of year (231,837,976 issued shares in 1995; 230,788,175 in 1994; 229,774,547 in 1993)	$ 580	$ 577	$ 574
	Conversions,exercises of stock options and other (479,034 shares in 1995; 1,049,801 in 1994; 1,013,628 in 1993)	1	3	3
	Balance at end of year (232,317,010 issued shares in 1995; 231,837,976 in 1994; 230,788,175 in 1993)	581	580	577
Paid-in Surplus	Balance at beginning of year	1,428	1,383	1,339
	Issuance of Resources' No Par Common Stock (Note 2)	638	--	--
	Conversions, exercises of stock options and other	45	45	44
	Balance at end of year	2,111	1,428	1,383
Retained Earnings	Balance at beginning of year	4,734	4,529	4,338
	Net income	946	546	530
	Total	5,680	5,075	4,868
	Cash dividends declared	(353)	(341)	(315)
	Exchangeable note conversion (Note 8)	--	--	(24)
	Balance at end of year (Note 8)	5,327	4,734	4,529
Treasury Stock	Balance at end of year, at cost (26,737,806 shares in 1995; 25,900,775 in 1994; 25,626,946 in 1993)	(1,655)	(1,611)	(1,604)
	Total Common Stockholders' Equity (Note 11)	$ 6,364	$ 5,131	$ 4,885

The accompanying accounting policies and notes to the financial statements are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES
PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Union Pacific Corporation (the Corporation or Union Pacific) and all subsidiaries. Investments in affiliated companies (20 percent to 50 percent owned) are accounted for on the equity method. All material intercompany transactions are eliminated.

CASH AND TEMPORARY INVESTMENTS

Temporary investments are stated at cost that approximates fair market value, and consist of investments with original maturities of three months or less.

INVENTORIES

Inventories consist of materials and supplies carried at the lower of cost or market.

PROPERTY AND DEPRECIATION

Properties are carried at cost. Provisions for depreciation are computed principally on the straight-line method based on estimated service lives of depreciable property.

The cost (net of salvage) of depreciable rail property retired or replaced in the ordinary course of business is charged to accumulated depreciation. A gain or loss is recognized in other income for all other property upon disposition.

INTANGIBLE ASSETS

Amortization of costs in excess of net assets of acquired businesses is generally recorded over forty years on a straight-line basis. The Corporation regularly assesses the recoverability of investments in its subsidiaries through a review of cash flows and fair values of those businesses (see Note 4).

REVENUE RECOGNITION

Transportation revenues are recognized on a percentage-of-completion basis, while delivery costs are recognized as incurred (see Note 4).

HEDGING TRANSACTIONS

The Corporation periodically hedges fuel purchases and interest rates. Unrealized gains and losses from forwards and futures fuel contracts are deferred and recognized as the fuel is consumed. The differential to be paid or received on interest rate swaps is accrued as interest rates change and recognized in interest expense over the life of the agreements (see Note 5).

EARNINGS PER SHARE
Earnings per share are based on the weighted average number of common shares outstanding during the periods, plus shares issuable upon exercise of outstanding stock options (see Note 11).

MINORITY INTEREST
Minority interest represents the minority stockholders' proportionate share of the equity of Union Pacific Resources Group Inc. (Resources). At December 31, 1995, the Corporation owned approximately 83 percent of Resources' common stock (see Note 2).

USE OF ESTIMATES
The consolidated financial statements of the Corporation include estimates and assumptions of certain assets, liabilities, revenues and expenses and the disclosure of certain contingent assets and liabilities. Actual future results may differ from such estimates.

CHANGE IN PRESENTATION
1994 and 1993 amounts have been restated to conform to the 1995 financial statement presentation. All periods presented reflect Resources and USPCI, Inc. (USPCI) as discontinued operations (see Note 2).

1. NATURE OF OPERATIONS
Union Pacific consists of two major business segments operating principally in the United States and engaged in rail transportation and trucking.

RAILROAD - The Corporation's largest segment is Union Pacific Railroad Company, including the Missouri Pacific Railroad Company, and as of May 1, 1995, the Chicago and North Western Transportation Company (CNW) (collectively the Railroad)(See Note 3). The Railroad is the second largest rail system in the United States in terms of track miles, with 22,800 route miles linking Pacific Coast and Gulf Coast ports to the Midwest. The Railroad serves the western two-thirds of the country and maintains coordinated schedules with other carriers for the handling of freight to and from the Atlantic Coast, the Pacific Coast, the Southeast, the Southwest, Canada and Mexico. Export and import traffic is moved through Gulf Coast and Pacific Coast ports, and across the Mexican and (primarily through interline connections) Canadian borders. The Railroad is subject to price and service competition from other railroads, motor carriers and barge operators.

Approximately 90 percent of the Railroad's 35,000 employees are represented by one of twelve national labor unions. In 1995, negotiations began on new labor agreements for all crafts. In January 1996, a tentative agreement was reached with the United Transportation Union which represents approximately 25 percent of the Railroad's unionized employees. The five-year package, which is currently undergoing ratification, includes a combination of general wage increases and lump-sum payments ranging from 3.0 to 3.5 percent per year, as well as increased work rule flexibility. Negotiations with other crafts will continue in 1996. Should negotiations reach an impasse, it is anticipated that the President will appoint a Presidential Emergency Board to examine the dispute and make recommendations for settlement.

In August 1995, the Corporation announced its intention to acquire Southern Pacific Rail Corporation (Southern Pacific) and, in September 1995, completed a cash tender offer for 25 percent of Southern Pacific's outstanding common shares (see Note 3). Should the Corporation be required or choose to dispose of its initial investment in Southern Pacific, a significant loss could be incurred.

TRUCKING - The Corporation's other major line of business is truck transportation. Overnite Transportation Company (Overnite), a major interstate trucking company specializing in less-than-truckload (LTL) shipments, serves all 50 states and portions of Canada and Mexico through 175 service centers located throughout the United States. Overnite transports a variety of products, including machinery, tobacco, textiles, plastics, electronics and paper products. Overnite experiences intense service and price competition from both regional and national motor carriers.

A significant factor influencing Overnite's long-term value is its ability to maintain a non-unionized workforce. As the nation's largest non-union trucking company, Overnite is periodically targeted by major labor organization efforts and is currently the subject of an organizational campaign instituted by the International Brotherhood of Teamsters (Teamsters) at many of its service centers. During 1995, Overnite employees voted for union representation at 13 service centers, requiring Overnite to bargain in good faith with union officials regarding future pay rates, benefits and work rules for employees at several of those locations. Despite the Teamsters' efforts, less than 9 percent of Overnite's 14,000 employees have voted for union representation.

Overnite's operating environment was extremely difficult during 1995. The major factors impacting Overnite's operations were soft volumes caused by aggressive marketing and price competition by both LTL and truckload carriers, incremental expenses associated with the Teamsters' labor organization efforts and ongoing operational inefficiencies associated with declining volumes. These unfavorable operating trends will likely continue well into 1996, as Overnite works toward tailoring its organization to meet its changing business environment and intense competition from regional and national carriers.

CONSOLIDATED - The Corporation's future results can be affected by changes in the economic environment and by fluctuations in fuel prices. Several of the commodities transported by both Overnite and the Railroad come from industries with cyclical business operations. As a result, prolonged negative changes in U.S. and global economic conditions can have an adverse effect on the Corporation's ongoing results. In addition, operating results at the Railroad and Overnite can be affected adversely by increases in diesel fuel costs, to the extent that such costs are not recovered through higher revenues and improved fuel conservation, or mitigated by hedging activity. See Note 14 for risk factors related to the Corporation's discontinued natural resources business.

Business Segments on page 33 provides additional financial information related to the Corporation's operations.

2. DIVESTITURES

RESOURCES - In July 1995, the Corporation's Board of Directors approved a formal plan to exit its natural resources business. The plan includes an initial public offering (IPO) by Resources of up to 17.25 percent of its outstanding common stock. Following the IPO and subject to the receipt of a favorable ruling from the Internal Revenue Service (IRS) expected in 1996 and the completion or termination of the acquisition of Southern Pacific (see Note 3), the Corporation intends to distribute the remaining outstanding common stock of Resources on a tax-free basis pro rata to Union Pacific's stockholders.

The IPO of 42.5 million shares was completed in October 1995, with Resources' common stock priced at $21 per share. Resources generated net proceeds of $844 million through the sale of 17.1 percent of its outstanding common stock to the public. As a result of the IPO, Resources owns and operates all of Union Pacific's natural resources business historically owned and operated by Union Pacific Resources Company or other affiliates. In connection with the IPO, Resources declared a $1,562 million dividend to the Corporation. This dividend consisted of $912 million in cash and $650 million in notes bearing interest at 8.5 percent per annum and payable within 90 days of the distribution of the Corporation's remaining investment in Resources to Union Pacific's stockholders. Resources also declared a dividend to the Corporation of its $59 million intercompany balance with the Corporation. Union Pacific used the cash proceeds from the Resources' dividend for the repayment of outstanding commercial paper balances. See Note 14 for a description of Resources' operations and additional financial information.

SALE OF USPCI - In September 1994, Union Pacific's Board of Directors approved a formal plan to dispose of its waste management business, USPCI. As a result, the Corporation recorded a $404 million after-tax loss from the disposal of USPCI and to provide for estimated closing costs and certain retained liabilities. In addition, USPCI's 1994 and 1993 operating losses of $8 million and $10 million, respectively, were recorded in discontinued operations.

At year-end 1994, the Corporation completed the sale of USPCI for $225 million in notes that were subsequently collected in January 1995. Sales proceeds and cash tax benefits from the sale of USPCI were used for general corporate purposes, including the reduction of outstanding debt.

Operating revenues of USPCI were $342 million in 1994 and $236 million in 1993, while capital expenditures for such years were $66 million and $114 million, respectively.

3. ACQUISITIONS

SOUTHERN PACIFIC - In August 1995, Union Pacific and Southern Pacific entered into a definitive merger agreement (the Agreement) providing for the acquisition of Southern Pacific by Union Pacific. Under the terms of the Agreement, Union Pacific completed a first-step cash tender offer in September 1995, pursuant to which approximately 39 million or 25 percent of the outstanding common shares of Southern Pacific were acquired at a price of $25 per share. The cash tender offer was funded by $976 million in borrowings under Union Pacific's existing credit facilities. The common shares purchased in the first-step cash tender offer were deposited in an independent voting trust in accordance with a voting trust agreement with Southwest Bank of St. Louis pending a decision of the Surface Transportation Board (STB) of the Department of Transportation--the successor to the Interstate Commerce Commission--on the Southern Pacific acquisition. The Corporation filed an application for control of Southern Pacific with the STB in November 1995. The STB has adopted an expedited schedule pursuant to which it anticipates rendering a final decision within 255 days of the filing of the original application. Should the acquisition not be approved by the STB, or should the STB impose onerous approval conditions, the acquisition could be terminated and Union Pacific could incur a significant loss on the disposition of its investment in Southern Pacific. However, the Corporation believes that its application for control of Southern Pacific will be approved without onerous conditions.

Following approval of the Southern Pacific acquisition by the STB, Union Pacific will complete the acquisition by exchanging the remaining Southern Pacific common shares, at the holder's election and subject to proration, for $25 in cash or 0.4065 shares of the Corporation's common stock. As a result, 60 percent of the Southern Pacific shares outstanding immediately prior to the merger will be converted into shares of Union Pacific common stock, with the remaining 40 percent of the outstanding shares, including the shares acquired in the first-step cash tender offer, being acquired for cash.

The business combination with Southern Pacific will be accounted for as a purchase. During 1995 and until the merger's consummation, the Corporation will account for its investment in Southern Pacific using the equity method. Although the purchase price allocation will not be finalized until the STB renders its decision, initial estimates indicate that the fair value of tangible assets acquired will exceed the purchase price.

CNW - In March 1995, Union Pacific executed a definitive merger agreement to acquire the remaining 71.6 percent of CNW's outstanding common stock not previously owned by the Corporation for approximately $1.2 billion. Prior to the acquisition, CNW was the nation's eighth largest railroad. For the year ended December 31, 1994, CNW had operating revenues of $1.13 billion, net income of $84 million and assets of $2.22 billion. The Corporation funded the CNW tender offer through the issuance of additional debt. The acquisition of CNW has been accounted for as a purchase and CNW's financial results were consolidated into the Corporation effective May 1, 1995.

As part of the purchase price allocation, the Corporation recorded $190 million of pre-tax reserves, principally relating to the elimination or relocation of redundant functions and facilities created by the combination of the Union Pacific and CNW rail systems. The reserves included $110 million for costs to reduce CNW's workforce by approximately 900 employees; $34 million for the relocation of approximately 1,000 CNW employees; and $22 million for labor protection relating to legislated, as well as contractual, obligations to CNW union employees. Management employee severance and relocations were substantially completed prior to December 31, 1995. Union workforce reductions must be negotiated under existing labor agreements and are anticipated to be completed in 1996. Acquisition reserves also included $24 million for the settlement or buyout of CNW lease obligations relating to redundant facilities or equipment. Through year-end 1995, $92 million was charged to the reserves, principally comprising costs to reduce CNW's workforce by approximately 700 employees (including $14 million related to certain former executives of CNW) and relocate other CNW employees throughout the Union Pacific rail system.

SKYWAY FREIGHT SYSTEMS, INC. (SKYWAY) - In May 1993, the Corporation acquired all of the outstanding common stock of Skyway for $65 million and the conversion of its initial $7 million preferred stock investment. Skyway specializes in providing customized logistics and transportation support for time-definite and specialized freight markets.

4. ACCOUNTING CHANGES

The Corporation adopted the following accounting changes in January 1993:

In Millions, Except Per Share Amounts	OPEB	Income Taxes	Revenue Recognition	Total
Railroad	$ (171)	$ 121	$ (22)	$ (72)
Trucking	(47)	(25)	(7)	(79)
Corporate services and other operations	(9)	44	--	35
Continuing operations	$ (227)	$ 140	$ (29)	$ (116)
Per share	$(1.10)	$0.68	$(0.14)	$(0.56)

OTHER POSTRETIREMENT BENEFITS (OPEB)

The Financial Accounting Standards Board (FASB) issued Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which requires that the cost of non-pension benefits for retirees be accrued during their period of employment. The adoption of this Statement does not affect future cash funding requirements for these benefits (see Note 10).

INCOME TAXES

The FASB issued Statement No. 109, "Accounting for Income Taxes," which requires the balance-sheet approach of accounting for income taxes, whereby assets and liabilities are recorded at the tax rates currently enacted. The Corporation's future results may be affected by changes in the corporate income tax rate (see Note 7).

REVENUE RECOGNITION

The Corporation changed its method of transportation revenue and expense recognition from accruing both revenues and expenses at the inception of service to the industry practice of allocating revenues between reporting periods based on relative transit time, while recognizing expenses as incurred.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The FASB issued Statement No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which establishes methods for determining when an impairment of long-lived assets has occurred and for measuring the impairment of long-lived assets. Initial adoption of Statement 121 is not expected to have an effect on Union Pacific's operating results or financial condition.

The FASB also issued Statement No. 123, "Accounting for Stock-Based Compensation," which encourages, but does not require, employers to adopt a fair value method of accounting for employee stock-based compensation, and which requires increased stock-based compensation disclosures if expense recognition is not adopted. The Corporation does not intend to elect expense recognition for stock options and therefore implementation of this Statement will have no effect on Union Pacific's operating results or financial condition.

5. FINANCIAL INSTRUMENTS

RISK MANAGEMENT

The Corporation uses derivative financial instruments in limited instances for other than trading purposes to manage risk as it relates to fuel prices and interest rates. Where the Corporation has fixed interest rates or fuel prices through the use of swaps, futures or forward contracts, the Corporation has mitigated the downside risk of adverse price and rate movements; however, it has also limited future gains from favorable movements.

The Corporation addresses market risk related to these instruments by selecting instruments whose value fluctuations highly correlate with the underlying item being hedged. Credit risk related to derivative financial instruments, which is minimal, is managed by requiring minimum credit standards for counterparties and periodic settlements. The largest credit risk associated with any of the Corporation's counterparties was $14 million at December 31, 1995. The Corporation has not been required to provide, nor has it received any significant amount of collateral relating to its hedging activity.

The fair market value of the Corporation's derivative financial instrument positions at December 31, 1995 and 1994 was determined based upon current fair market values as quoted by recognized dealers or developed based upon the present value of future cash flows discounted at the applicable zero coupon U.S. treasury rate and swap spread.

INTEREST RATES - The Corporation controls its overall risk to fluctuations in interest rates by managing the proportion of fixed and floating rate debt instruments within its debt portfolio over a given period. Derivatives are used in limited circumstances as one of the tools to obtain the targeted mix. The mix of fixed and floating rate debt is largely managed through the issuance of targeted amounts of such debt as debt maturities occur or as incremental borrowings are required. The Corporation also obtains additional flexibility in managing interest cost and the interest rate mix within its debt portfolio by issuing callable fixed rate debt securities.

At December 31, 1995, the Corporation had outstanding interest rate swaps on $219 million of notional principal amount of debt (3 percent of the total debt portfolio) with gross fair market value asset and liability positions of $13 million, respectively, and a net position of zero. At December 31, 1994, the Corporation had outstanding interest rate swaps on $230 million of notional principal amount of debt (5 percent of the total debt portfolio) with a gross fair market value asset position of $0.5 million and a gross fair market value liability position of $13 million. These contracts mature over the next ten years. Interest rate hedging activity increased interest expense by $7 million in 1995 and 1994, and $8 million in 1993, raising the weighted average borrowing rate by no more than 20 basis points in any year presented.

FUEL - Over the past three years, fuel costs approximated 9 percent of the Corporation's total operating expenses. As a result of the significance of the fuel costs and the historical volatility of fuel prices, the Corporation periodically uses swaps, futures and forward contracts to mitigate the risk of fuel price volatility. The intent of this program is to protect the Corporation's operating margins and overall profitability from adverse fuel price changes.

At December 31, 1995, the Corporation had hedged 7 percent of the Railroad's forecasted 1996 fuel consumption at $0.46 per gallon, while Overnite had not hedged any of its 1996 fuel requirements. At year-end 1995, the Corporation had outstanding swap agreements covering fuel purchases of $30 million with a gross and net asset position of $2 million. At December 31, 1994, the Corporation had outstanding swaps covering fuel purchases of $8 million with a gross and net fair market value asset position of $0.3 million. Fuel hedging had no significant effect on 1995 fuel costs and lowered 1994 fuel costs by $10 million. The Corporation did not hedge fuel purchases in 1993.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair market value of the Corporation's long and short-term debt has been estimated using quoted market prices or current borrowing rates. At December 31, 1995, the fair value of total debt exceeded the carrying value by approximately 3 percent. Of the Corporation's total debt portfolio, approximately $1.6 billion of fixed rate debt securities contain call provisions that allow the Corporation to retire the debt instruments prior to final maturity.

The carrying value of all other financial instruments approximates fair market value.

OFF-BALANCE-SHEET CREDIT RISK

The Corporation has sold, on a revolving basis, an undivided percentage ownership interest in a designated pool of accounts receivable. Collection risk on the pool of receivables is minimal. At December 31, 1995 and 1994, respectively, accounts receivable are presented net of the $400 million and $300 million of receivables sold.

6. PROPERTIES

Major property accounts are as follows:

Millions of Dollars	1995	1994
Railroad:		
Road and other	$12,888	$ 8,428
Equipment	5,004	4,658
Total Railroad	17,892	13,086
Trucking	744	704
Other	112	130
Total	$18,748	$13,920

Accumulated depreciation accounts are as follows:

Millions of Dollars	1995	1994
Railroad:		
Road and other	$2,331	$2,131
Equipment	2,035	1,881
Total Railroad	4,366	4,012
Trucking	237	200
Other	40	37

Total	$4,643	$4,249

7. INCOME TAXES
Components of income tax expense, excluding discontinued operations, are as follows:

Millions of Dollars	1995	1994	1993
Current:			
Federal	$ 166	$123	$ 32
State	(3)	32	8
Total current	163	155	40
Deferred:			
Federal	130	178	265
State	21	(3)	13
Total deferred	151	175	278
Total	$ 314	$330	$318

In August 1993, President Clinton signed the Omnibus Budget Reconciliation Act (the 1993 Tax Act) into law raising the Federal corporate income tax rate to 35 percent from 34 percent, retroactive to January 1, 1993. As a result, 1993 income tax expense increased by $63 million: $56 million for the one-time, non-cash recognition of deferred income taxes related to prior periods and $7 million of incremental current year Federal income tax expense.

Deferred tax liabilities (assets), excluding discontinued operations, are comprised of the following:

Millions of Dollars	1995	1994
Net current deferred tax (asset) liability	$ (119)	$ --
Excess tax over book depreciation	3,697	2,684
State taxes - net	338	212
Long-term liabilities	(204)	(111)
Retirement benefits	(226)	(206)
Alternative minimum tax	(111)	(100)
Other	4	(81)
Net long-term deferred tax liability	3,498	2,398
Net deferred tax liability	$3,379	$2,398

In January 1995, the Corporation recorded the effects of a tax settlement with the IRS that permitted a portion of the excess acquisition costs (goodwill) associated with the Overnite acquisition to become tax deductible. This one-time tax benefit reduced goodwill and the deferred income tax liability by $123 million and decreased annual goodwill amortization by $3 million.

A reconciliation between statutory and effective tax rates of continuing operations is as follows:

	1995	1994	1993
Statutory tax rate	35.0%	35.0%	35.0%
Cumulative effect of Federal rate increase	--	--	7.5
State taxes - net	1.2	2.1	1.9
Goodwill amortization	0.9	1.2	1.8
Dividend exclusion	(2.3)	(1.7)	(1.5)
Other	(1.1)	0.1	(1.1)
Effective tax rate	33.7%	36.7%	43.6%

All material IRS deficiencies prior to 1984 have been settled. The Corporation and the IRS have settled all issues and are in the process of concluding Tax Court cases for years through 1979. In addition, the Corporation has reached a partial settlement with IRS Appeals for 1980 through 1983; the remaining issues will be resolved as part of the refund claims filed for those years. Furthermore, the Corporation is negotiating with the Appeals Office concerning 1984 through 1986. The IRS is examining the Corporation's returns for 1987 through 1994. The Corporation believes it has adequately provided for Federal and state income taxes.

Net payments of income taxes, including payments made by the Corporation on behalf of Resources, were $91 million in 1995, $119 million in 1994 and $142 million in 1993.

8. DEBT

Total debt is summarized below:

Millions of Dollars	1995	1994
Notes and debentures, 4.75% to 10.66% due through 2054	$2,924	$2,491
Equipment obligations, 5.97% to 15.50% due through 2012	722	748
Commercial paper, average of 6.00% in 1995 and 6.12% in 1994	1,129	767
Mortgage bonds, 4.25% to 5.00% due through 2030	177	178
Tax-exempt financings, 4.01% to 4.25% due through 2026	168	168
Term floating rate debt, 5.80% to 6.27%, due through 2002	250	100
Credit facility borrowings, 6.05% due 1996	834	--
Resources cash management agreement, 8.50% due 1996	82	--
Capitalized leases	255	207
Unamortized discount	(177)	(180)
Total debt	6,364	4,479
Less current portion	(132)	(427)
Total long-term debt	$6,232	$4,052

Debt maturities for each year, 1996 through 2000, are $132 million, $171 million, $154 million, $435 million and $2.5 billion, respectively. Interest payments approximate gross interest expense.

Approximately 37 percent of all rail equipment and other railroad properties secures outstanding equipment obligations and mortgage bonds.

The Corporation has $3.7 billion of credit facilities with various banks designated for general corporate purposes. These facilities consist of revolving credit agreements of $1.2 billion that expire in 1996 and $2.5 billion that expire in 2000. At December 31, 1995, the Corporation had $834 million outstanding under these facilities related to the first-step cash tender offer for 25 percent of Southern Pacific's common shares (see Note 3). Commitment fees and interest rates payable under these facilities are similar to fees and rates available to comparably rated corporate borrowers.

To the extent the Corporation has long-term credit facilities available, commercial paper and credit facility borrowings of $1.96 billion, which are due within one year, have been classified as long-term debt maturing in the year 2000. This classification reflects the Corporation's intent to refinance these short-term borrowings on a long-term basis through the issuance of additional commercial paper and/or new long-term financings, or by using currently available long-term credit facilities if alternative financing is not available.

In October 1995, the Corporation entered into a cash management agreement with Resources. Under the terms of the agreement, Resources is required to remit to the Corporation all cash generated by its operations and may borrow up to a maximum of $200 million from the Corporation. At December 31, 1995, the Corporation owed Resources $82 million under this agreement.

The Corporation is subject to certain restrictions related to the payment of cash dividends. The amount of retained earnings available for dividends under the most restrictive test was $3.1 billion at December 31, 1995. On a pro forma basis, assuming the distribution of Resources occurred on December 31, 1995, the amount of retained earnings available for dividends under the most restrictive test would have been $2.3 billion.

In February 1993, the remaining $24 million of the 7.50% Exchangeable Guaranteed Notes due 2003, which were issued in conjunction with the acquisition of the Missouri-Kansas-Texas Railroad, were exchanged for approximately 774,000 shares of the Corporation's common stock. This common stock was held in treasury prior to the exchange.

9. LEASES

The Corporation leases certain locomotives, freight cars, trailers and other property. Future minimum lease payments for capital and operating leases with initial or remaining non-cancelable lease terms in excess of one year as of December 31, 1995 are as follows:

Millions of Dollars	Operating Leases	Capital Leases
1996	$ 274	$ 47
1997	199	44
1998	186	45
1999	172	41
2000	152	40
Later years	1,070	198
Total minimum payments	$2,053	415
Amount representing interest		(160)
Present value of minimum lease payments		$255

Rent expense for operating leases with terms exceeding one month was $236 million in 1995, $101 million in 1994 and $95 million in 1993. Contingent rentals and sub-rentals are not significant.

10. RETIREMENT PLANS

The Corporation and certain of its subsidiaries provide pension and postretirement health care and life insurance benefits to all eligible retirees.

PENSION BENEFITS

Pension plan benefits are based on years of service and compensation during the last years of employment. Contributions to the plans are calculated based on the Projected Unit Credit actuarial funding method and are not less than the minimum funding standards set forth in the Employee Retirement Income Security Act of 1974, as amended. In addition, Railroad employees are covered by the Railroad Retirement System. Contributions made to the System are expensed as incurred and amounted to approximately $200 million annually over the past three years. Since 1989, the Corporation has settled a portion of the non-qualified unfunded supplemental plans' accumulated benefit obligation by purchasing annuities.

Pension cost includes the following components:

Millions of Dollars	1995	1994	1993
Service cost - benefits earned during the period	$ 28	$ 30	$ 25
Interest on projected benefit obligation	80	73	73
Return on assets:			
Actual (gain) loss	(181)	8	(109)
Deferred gain (loss)	111	(76)	47
Net amortization costs	8	12	10
Charge to operations	$ 46	$ 47	$ 46

The projected benefit obligation was determined using a discount rate of 7.25 percent in 1995 and 8.0 percent in 1994. The estimated rate of salary increase approximated 5.25 percent in 1995 and 6.0 percent in 1994. The expected long-term rate of return on plan assets was 8.0 percent in both years. The change in assumptions will not significantly affect 1996 pension cost. As of year-end 1995 and 1994, approximately 32 percent of the funded plans' assets were held in fixed-income and short-term securities, with the remainder in equity securities.

The funded status of the plans is as follows:

Millions of Dollars	Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets (a)	
	1995	1994	1995	1994
Plan assets at fair value	$1,024	$871	$--	$--
Actuarial present value of benefit obligations:				
Vested benefits	841	726	34	30
Non-vested benefits	54	39	2	2
Accumulated benefit obligation	895	765	36	32
Additional benefits based on estimated future salaries	193	200	22	28
Projected benefit obligation	1,088	965	58	60
Plan assets (over) under projected benefit obligation	64	94	58	60
Unamortized net transition asset (obligation)	8	9	(18)	(24)
Unrecognized prior service cost	(54)	(37)	(27)	(29)
Unrecognized net gain (loss)	163	109	(25)	(29)
Minimum liability	--	--	48	54
Pension liability	$ 181	$175	$36	$32

(a) Represents the Corporation's non-qualified unfunded supplemental plans.

OTHER POSTRETIREMENT BENEFITS

In January 1993, the Corporation adopted the provisions of FASB Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (see Note 4). The Corporation does not currently pre-fund health care and life insurance benefit costs.

Railroad agreement employees' health care and life insurance benefits are covered by a separate multiemployer plan and therefore are not subject to the provisions of this Statement.

Components of the postretirement health care and life insurance benefit expense are as follows:

Millions of Dollars	1995	1994	1993
Service cost - benefits earned during the period	$ 8	$ 8	$ 6
Interest costs on accumulated benefit obligation	20	18	17
Net amortization costs	(12)	(12)	--
Charge to operations	$16	$14	$23

The liability for postretirement benefit plans is as follows:

Millions of Dollars	1995	1994
Accumulated postretirement benefit obligation:		
Retirees	$192	$170
Fully eligible active employees	30	19
Other active employees	91	77
Total accumulated postretirement benefit obligation	313	266
Unrecognized prior service gain	50	62
Unrecognized net gain	27	39
Postretirement benefits liability	$390	$367

The accumulated postretirement benefit obligation was determined using a discount rate of 7.25 percent in 1995 and 8.0 percent in 1994. The health care cost trend rate is assumed to decrease gradually from 11.9 percent for 1996 to 5.0 percent for 2010 and all future years. If the assumed health care cost trend rate increases by one percentage point in each subsequent year, the aggregate of the service and interest cost components of annual postretirement benefit expense would increase by $3 million and the accumulated postretirement benefit obligation would rise by $33 million.

11. STOCK OPTION PLANS, RETENTION STOCK PLANS AND OTHER CAPITAL STOCK

Pursuant to the Corporation's stock option, retention and restricted stock plans for directors, officers and key employees, 10,359,406, 9,747,370 and 14,469,250 common shares or options for common shares were available for grant at December 31, 1995, 1994 and 1993, respectively.

Options under the plans are granted at 100 percent of market value at the date of grant and are exercisable for a period of 10 years from the grant date. While options become exercisable no earlier than one year after grant, in 1994, a multi-year grant was made covering normal annual grants for three years, becoming exercisable over a three-year period, provided designated target Union Pacific common stock prices are met, or becoming fully exercisable in any event after nine years. Granted shares in 1995 also include the effect of the conversion of CNW employee options into Union Pacific options. In addition, 1995 options expired and surrendered include the forfeiture of Union Pacific options by certain Resources' employees and certain Union Pacific executives in exchange for options of Resources' common stock.

Changes in common stock options outstanding are as follows:

	Shares Under Option	Price Range Per Share
Balance Dec. 31, 1992	4,155,950	$20.04 to $54.13
Granted	1,352,850	63.75
Exercised	(792,890)	20.04 to 54.13
Expired/Surrendered	(19,450)	28.32 to 54.13
Balance Dec. 31, 1993	4,696,460	20.04 to 63.75
Granted	3,990,200	47.00
Exercised	(205,000)	20.04 to 54.13
Expired/Surrendered	(31,550)	46.66 to 63.75
Balance Dec. 31, 1994	8,450,110	23.07 to 63.75
Granted	681,793	8.95 to 67.94
Exercised	(495,235)	8.95 to 63.75
Expired/Surrendered	(1,545,216)	24.88 to 63.75
Balance Dec. 31, 1995	7,091,452	8.95 to 67.94

Exercisable Dec. 31		
1993	3,343,610	$20.04 to $54.13
1994	4,459,910	23.07 to 63.75
1995	6,708,892	8.95 to 63.75

The plans also provide for awarding restricted shares of common stock to eligible employees, generally subject to forfeiture if employment terminates during the prescribed restricted period. In addition, a multiyear award was made in 1994, covering a performance period through 1998, with vesting dependent upon the achievement of certain Union Pacific stock price targets. During 1995, 1994 and 1993, 249,860, 755,230 and 208,700 retention and restricted shares of common stock, respectively, were issued.

The Corporation has announced programs to repurchase up to $1.2 billion of its common stock. Since 1984, 166 million shares of common stock have been repurchased at a cost of $873 million.

12. COMMITMENTS AND CONTINGENCIES

There are various lawsuits pending against the Corporation and certain of its subsidiaries. The Corporation is also subject to Federal, state and local environmental laws and regulations, and is currently participating in the investigation and remediation of numerous sites. Where the remediation costs can be reasonably determined, and where such remediation is probable, the Corporation has recorded a liability. At December 31, 1995, the Corporation had accrued $142 million for estimated future environmental costs and believes it is reasonably possible that actual environmental costs could be lower than the recorded reserve or as much as 25 percent higher. The Corporation has also entered into commitments and provided guarantees for specific financial and contractual obligations of its subsidiaries and affiliates. The Corporation does not expect that the lawsuits, environmental costs, commitments or guarantees will have a material adverse effect on its consolidated financial position or its results of operations.

13. OTHER INCOME - NET

Other Income - Net includes the following:

Millions of Dollars	1995	1994	1993
Rental income	$ 22	$ 32	$ 33
Net gain on property dispositions	76	67	18
Interest and other - net	43	1	28
Total	$ 141	$ 100	$ 79

14. RESOURCES' FINANCIAL INFORMATION

At year-end 1995, the Corporation owned approximately 83 percent of Resources' common stock, which it intends to distribute to its stockholders in 1996 (see Note 2). The following information is derived from Resources' audited financial statements to be contained in Resources' 1995 Annual Report on Form 10-K, which will be filed with the Securities and Exchange Commission no later than March 29, 1996, and is presented to provide additional information on Resources' financial results to the Corporation's stockholders. A copy of such Form 10-K may be obtained by contacting the Union Pacific Corporation Secretary (see inside back cover).

Resources is an independent oil and gas company engaged in the exploration for and production of natural gas, crude oil and associated products. Substantially all of Resources' exploration and production programs are in the Austin Chalk trend and the Carthage area in central and Eastern Texas and Louisiana; the Ozona area in western Texas; the Land Grant in Colorado, Wyoming and Utah; the Gulf of

Mexico; and Canada. Through a wholly-owned subsidiary, Resources markets its own production, and purchases and resells third-party production, focusing on direct marketing to the natural gas end user, with particular emphasis on the power generation market. Resources also has interests in hard minerals mining of trona and coal, and in minerals-related royalties from third-party mining on Resources' properties. Resources uses the successful efforts method to account for exploration costs.

Resources competes for oil and gas reserves and technology advances with smaller companies, as well as with the larger integrated oil companies and is subject to hydrocarbon and mineral price volatility to the extent that such prices are not fixed either through long-term, fixed-price sales contracts or hedged with various financial instruments (see Hedging below). In its marketing activities, Resources competes with other hydrocarbon producers and marketers. Mining operations are also subject to competition from a number of companies, many of which have larger operations.

Summarized financial information for Resources as of and for the years ended December 31 is as follows:

STATEMENT OF INCOME

Millions of Dollars	1995	1994	1993
Revenues	$1,456	$1,333	$1,277
Operating expenses	986	982	894
Operating income	470	351	383
Other income - net	7	174	60
Interest expense	(19)	(4)	(3)
Income before income taxes	458	521	440
Income taxes	(107)	(131)	(137)
Income before cumulative effect of changes accounting principles	351	390	303
Cumulative effect of changes in accounting principles	--	--	(59)
Net income	$ 351	$ 390	$ 244

STATEMENT OF FINANCIAL POSITION

MILLIONS OF DOLLARS	1995	1994
Current assets	$ 420	$ 533
Properties-net	2,764	2,600
Other assets	125	114
Total assets	$3,309	$3,247
Current liabilities	$1,067	$ 505
Long-term debt	102	38
Deferred income taxes	438	458
Other liabilities	390	411
Stockholders' equity	1,312	1,835
Total liabilities and stockholders' equity	$3,309	$3,247

For the years ended December 31, 1995, 1994 and 1993, cash provided by operations was $829 million, $821 million and $568 million, respectively, while capital and exploratory expenditures for the same periods were $686 million, $1,389 million and $560 million.

HEDGING: Resources uses swaps, futures and forward contracts to protect against unfavorable hydrocarbon price movements. Credit risk related to these activities is managed by requiring that counterparties meet minimum credit standards. At December 31, 1995, the largest credit risk associated with any of Resources' counterparties was approximately $21 million, which was partially secured by a $10 million letter of credit.

At December 31, 1995, Resources had entered into near-term futures contracts and price swaps with respect to crude oil sales volumes of 25 MBbld at $17.96/Bbl for the first quarter of 1996, and with respect to natural gas sales volumes of 183 MMcfd at $1.88/Mcf and 242 MMcfd at $1.86/Mcf for the first and second quarters of 1996, respectively.

At December 31, 1995, Resources had a total unrecognized mark-to-market gain of $56 million related to all open risk management contracts.

As a result of its hedging program, Resources' oil and gas revenues can be higher or lower than revenues that would be reported if hedging did not occur. During 1995 and 1994, revenues were $27 million and $36 million higher, respectively, as a result of hedging activities, while revenues were $29 million lower in 1993. Resources' 1995 hedging gains were net of an $8 million loss recognized in December 1995 related to 1996 contracts that suffered weakened correlation as a result of unprecedented increases in natural gas futures prices.

COLUMBIA GAS TRANSMISSION COMPANY (COLUMBIA): Columbia and Resources were parties to a long-term contract for the sale by Resources to Columbia of substantial volumes of natural gas at above 1991 market prices. In July 1991, Columbia filed for protection from its creditors under Chapter 11 of the bankruptcy laws. In April 1995, Columbia filed a Plan of Reorganization which contained a proposed claim settlement among its largest creditors, including Resources. Columbia's significant creditors accepted its proposed claim settlement and, in November 1995, Resources received a cash settlement. Net of potential tax and royalty claims associated with the settlement, Resources recorded a gain of $123 million ($79 million after tax) as a component of operating revenues.

COMMITMENTS AND CONTINGENCIES: There are various lawsuits pending against Resources and certain of its subsidiaries. Resources also entered into commitments and provided guarantees for specific financial and contractual obligations of its subsidiaries and affiliates. Resources does not expect that the lawsuits, commitments or guarantees will have a material adverse effect on its consolidated financial condition or its results of operations. If certain lawsuits are ultimately resolved against Resources on a widespread basis, which is not expected, damage awards and a loss of future revenues could result, which, in the aggregate, could be material to Resources.

INCOME TAXES: Resources generates Section 29 credits from the sale of certain fuels produced from non-conventional sources. Fuels qualifying for the credit must be produced from a well drilled or a facility placed in service after December 31, 1979, and before January 1, 1993, and sold before January 1, 2003. Resources generated $38 million, $52 million and $14 million of Section 29 credits in 1995, 1994 and 1993, respectively. Generation of Section 29 credits reduced Resources' statutory tax rate by 8.3 percent, 10.0 percent and 3.3 percent in such years.

SIGNIFICANT ACQUISITIONS AND PROPERTY DISPOSITIONS:

AMAX OIL AND GAS, INC. (AMAX): In March 1994, Resources acquired AMAX from Cyprus AMAX Minerals Company for a net purchase price of $725 million. AMAX's operations primarily consist of natural gas production, transportation and processing properties in West Texas and Louisiana. These properties include interests in 14 major fields, encompassing over 500,000 acres and 2,000 producing wells. Resources recorded 550 billion cubic feet of gas equivalent of proved reserves related to the AMAX acquisition.

WILMINGTON SALE: In March 1994, Resources sold its interest in the Wilmington, California oil field's surface rights and hydrocarbon reserves, and its interest in the Harbor Cogeneration Plant, to the City of Long Beach, California for $405 million in cash and notes. The Wilmington sale resulted in a $159 million ($100 million after-tax) gain for Resources. Wilmington's hydrocarbon reserves represented approximately 3 percent of Resources' year-end 1993 proved reserves and the sale of the Wilmington properties has not significantly affected Resources' ongoing operating results.

As part of the Wilmington sale agreement, Resources agreed to participate with the City of Long Beach in funding site preparation and environmental remediation. As a result, the determination of Resources' gain on the sale of the Wilmington properties included provisions of $106 million for such future costs.

ACCOUNTING ADJUSTMENTS: In 1993, Resources recorded a $59 million after-tax charge to earnings related to the adoption of accounting changes. The after-tax charge consisted of $44 million from the adoption of FASB Statement No. 106 and $15 million from the adoption of FASB Statement No. 109 (see Note 4). In addition, Resources recorded a $6 million charge for the one-time, non-cash recognition of deferred income taxes related to the 1993 Tax Act (see Note 7).

SUPPLEMENTARY INFORMATION (UNAUDITED): The following supplementary measures of oil and gas summarize Resources' significant operating statistics:

	1995	1994	1993
Proved reserves (Bcfe):			
Natural gas	2,173	2,126	1,731
Natural gas liquids	601	503	446
Crude oil, including condensate	503	425	496
Total	3,277	3,054	2,673
Equity production (Bcfe):			
Natural gas	343	282	226
Natural gas liquids	66	51	46
Crude oil, including condensate	116	138	145
Total	525	471	417
Average sales price and cost			
Natural gas (per Mcf)	$ 1.44	$ 1.82	$ 1.80
Natural gas liquids (per Bbl)	8.14	7.86	8.77
Crude oil (per Bbl)	16.08	14.34	15.66
Production costs (per Mcfe)	0.44	0.55	0.60
Standardized measure of discounted future net cash flows (millions $)	1,871	1,659	1,289
Results of operations for producing activities (millions $)	139	151	119

SUPPLEMENTARY INFORMATION (UNAUDITED)

SELECTED QUARTERLY DATA (a)

Selected unaudited quarterly data are as follows:

Millions of Dollars Except Per Share Amounts	Mar. 31	Jun. 30	Sep. 30	Dec. 31
1995 (b)				
Operating revenues	$1,664	$1,874	$1,974	$1,974
Operating income	279	337	379	346
Income from continuing operations	130	150	160	179
Net income	191	224	237	294(c)
Per share:				
Continuing operations	0.63	0.73	0.78	0.87
Net income	0.93	1.09	1.15	1.43(c)
Dividends	0.43	0.43	0.43	0.43
Common stock price:				
High	56.13	56.75	69.50	70.13
Low	45.63	51.75	55.13	61.50
1994				
Operating revenues	$1,559	$1,656	$1,622	$1,655
Operating income	269	335	327	313
Income from continuing operations	131	155	134	148
Net income (loss)	283(d)	220	(213)(e)	256(f)
Per share:				
Continuing operations	0.64	0.75	0.65	0.72
Net income (loss)	1.38(d)	1.07	(1.04)(e)	1.25(f)
Dividends	0.40	0.40	0.43	0.43
Common stock price:				
High	67.13	59.75	60.13	53.75
Low	55.50	55.38	52.75	44.50

(a) All information presented has been restated to reflect Resources and USPCI as discontinued operations.

(b) 1995 information includes the effects of the CNW acquisition as of May 1, 1995.

(c) Included the Corporation's share of Resources' one-time $79 million after-tax gain ($65 million or $0.32 per share) resulting from the Columbia settlement.

(d) Included a one-time $116 million ($0.56 per share) after-tax gain resulting from the sale of the Corporation's oil and gas properties in Wilmington, California.

(e) Included an after-tax provision for disposal of discontinued operations of $425 million ($2.07 per share), reflecting a write-down of USPCI's assets to estimated net realizable value and a provision for costs associated with the disposition of USPCI.

(f) Included a $21 million after-tax ($0.11 per share) reduction in the Corporation's original USPCI loss provision to reflect the sale of USPCI.

STOCKHOLDERS AND DIVIDENDS

The common stock of the Corporation is traded on various stock exchanges, principally the New York Stock Exchange. At January 31, 1996, there were 205,596,640 shares of outstanding common stock and approximately 60,100 common stockholders. At that date, the closing price of the common stock on the New York Stock Exchange was $66.63.

Cash dividends declared on common stock by the Corporation were $1.72 per share in 1995 and $1.66 per share in 1994. Union Pacific has paid dividends to its common stockholders during each of the past 96 years. See Note 8 to the Financial Statements for a discussion regarding restrictions relating to the payment of cash dividends.

RAIL TRANSPORTATION

COMMODITIES

Revenue ton-miles (RTM) and commodity revenue (CR) for major commodities by percent and in total are as follows:

Percent of	1995		1994		1993	
Total	RTM	CR	RTM	CR	RTM	CR
Automotive	3.2%	10.4%	3.8%	11.3%	4.0%	11.3%
Chemicals	13.0	19.5	14.6	21.1	14.0	20.9
Energy	39.8	21.2	35.9	18.9	34.3	18.3

Food, consumer and government	4.7	5.8	5.7	6.6	5.8	6.6
Grains and grain products	16.6	14.2	14.3	11.7	16.1	12.9
Intermodal	11.2	14.5	12.5	15.6	12.0	14.3
Metals, minerals and forest	11.5	14.4	13.2	14.8	13.8	15.7
Total	100%	100%	100%	100%	100%	100%
Total (billions)	291.6	$6.1	235.8	$5.2	220.7	$4.9

Equipment

Owned or leased at year-end	1995	1994	1993
Locomotives	4,136	3,132	3,142
Freight cars:			
Covered hoppers	37,341	24,009	23,399
Box cars	20,559	15,670	15,826
Open-top hoppers	15,941	11,256	10,885
Gondolas	12,218	9,678	9,969
Other	8,428	7,698	8,013
Work equipment	10,013	4,529	4,704
Purchased or leased during the year:			
Locomotives	85	49	74
Freight cars	2,111	1,784	1,394
Average age of equipment (years)			
Locomotives	13.1	13.0	12.2
Freight cars	20.9	20.2	19.8
Bad order ratio - Freight cars	4.4%	6.4%	7.9%

EXPENDITURES

Millions of Dollars	1995	1994	1993
Capital Expenditures:			
Roadway and other	$691	$586	$591
Equipment	279	183	214
Total	$970	$769	$805
Maintenance Expenditures:			
Roadway	$303	$258	$247
Equipment	582	500	490
Total	$885	$758	$737

TRACK MILES

	1995	1994	1993
Main line	16,599	13,836	13,972
Branch line	6,186	3,663	3,863
Yards, siding and other main line	14,977	12,279	12,480
Total	37,762	29,778	30,315
Track miles of continuous welded rail (at year-end)	14,246	13,988	13,735
Track miles under centralized traffic-control (at year-end)	8,920	8,900	8,861
Track miles of rail replaced:			
New	492	278	280
Used	475	252	254
Track miles re-ballasted	3,532	2,442	2,510
Ties replaced (thousands)	2,194	1,623	2,017

FREIGHT OPERATIONS

	1995	1994	1993
Operating ratio	78.1	77.9	79.1
Carloadings (thousands)	5,568	4,991	4,619
Average commodity revenue per carloading	$1,097	$1,045	$1,055
Average price of diesel fuel (per gallon)	61.0c	58.7c	62.8c

TRUCKING

FREIGHT OPERATIONS

	1995	1994	1993
Shipments (thousands):			
Less-than-truckload	8,279	8,535	8,146
Truckload	53	58	60
Total	8,332	8,593	8,206
Tonnage (thousands):			
Less-than-truckload	4,430	4,557	4,277
Truckload	612	667	733
Total	5,042	5,224	5,010
Revenue per hundredweight	$9.55	$9.82	$9.28
Operating ratio(a)	103.0	91.3	90.2

(a) Excludes goodwill amortization

EQUIPMENT AND TERMINALS

Owned or leased at year-end	1995	1994	1993
Tractors	5,414	5,364	5,254
Trailers	19,809	18,858	17,105
Straight trucks	73	87	93
Automobiles and service units	186	214	237
Service centers	175	173	166
Average age of equipment (years):			
Tractors	6.8	6.5	6.8
Trailers	7.2	7.0	8.0

CAPITAL EXPENDITURES

Millions of Dollars	1995	1994	1993
Revenue equipment	$31	$58	$40
Other	18	35	40
Total	$49	$93	$80

TEN-YEAR FINANCIAL SUMMARY(a)

Union Pacific Corporation and Subsidiary Companies

Millions of Dollars, Except Per Share Amounts, Ratios and Employee Statistics

	1995	1994(b)	1993(c)	1992	1991(d)	1990	1989	1988	1987	1986(d)
Operating Revenues	$ 7,486	$ 6,492	$ 6,002	$ 5,773	$ 5,687	$ 5,739	$ 5,453	$ 5,128	$ 4,522	$ 3,883
Operating Income	1,341	1,244	1,112	1,082	221	993	993	966	810	144
Income (Loss) From Continuing Operations	619	568	412	456	(123)	374	398	419	377	148
Net Income (Loss)	946	546	530	728	64	618	595	644	583	(460)
Per Share:										
Continuing Operations	3.01	2.76	2.00	2.24	(0.60)	1.86	1.88	1.84	1.65	0.77
Net Income (Loss)	4.60	2.66	2.58	3.57	0.31	3.08	2.81	2.83	2.55	(2.28)
Dividends	$ 1.72	$ 1.66	$ 1.54	$ 1.42	$ 1.31	$ 1.18	$ 1.12	$ 1.05	$ 1.00	$ 0.93
AT YEAR-END										
Total Assets	$19,446	$14,543	$13,797	$12,901	$12,272	$12,063	$11,567	$11,272	$10,112	$9,798
Total Debt (a)	6,364	4,479	4,105	4,035	3,966	3,982	3,975	3,254	2,785	2,960
Common Stockholders' Equity	6,364	5,131	4,885	4,639	4,163	4,277	3,911	4,482	3,761	3,408
Equity Per Common Share	$ 30.93	$ 24.92	$ 23.81	$ 22.75	$ 20.52	$ 21.63	$ 19.50	$ 19.85	$ 17.90	$16.23
FOR THE YEAR										
Capital Investments	$ 1,058	$ 876	$ 899	$ 864	$ 667	$ 674	$ 870	$ 917	$ 540	$ 528
Cash from Continuing Operations	1,454	1,079	975	842	794	904	956	978	599	760
Total Salaries, Wages and Employee Benefits (e)	$ 3,120	$ 2,755	$ 2,689	$ 2,659	$ 2,523	$ 2,538	$ 2,462	$ 2,319	$ 2,123	$ 1,775
Average Number of Employees	49,500	45,400	44,000	42,800	43,800	45,400	45,400	44,100	43,300	35,600
Revenues Per Employee	$151,400	$143,000	$136,300	$135,000	$129,900	$126,400	$120,000	$116,400	$104,500	$109,000
Financial Ratios (%)										
Debt to Capital Employed	50.0	46.6	45.7	46.5	48.8	48.2	50.4	42.1	42.5	46.5
Return on Average Common Stockholders' Equity	16.5	10.9	11.1	16.5	1.5	15.1	14.2	13.4	12.9	---

(a) Data include the effects of the 25% investment in Southern Pacific Rail Corporation ($976 million), the Chicago and North Western Transportation Company acquisition as of May 1, 1995 and the Skyway Freight Systems, Inc. acquisition as of May 31, 1993 (see Note 3 to the Financial Statements). In addition, all information presented reflects the Corporation's natural resources and waste management segments as discontinued operations.

(b) 1994 results include a net after-tax loss of $404 million from the sale of the Corporation's waste management operations (see Note 2 to the Financial Statements). Excluding this loss, 1994 return on average common stockholders' equity would have been 18.2%.

(c) 1993 net income includes a net after-tax charge for the adoption of changes in accounting methods and a one-time charge for the deferred tax effect of the Omnibus Budget Reconciliation Act of 1993 (see Notes 4, 7 and 14 to the Financial Statements). Excluding the impact of these items, income from continuing operations would have been $468 million ($2.27 per share) with a return on average common stockholders' equity of 15.9%.

(d) Earnings excluding the special charges would have been $639 million in 1991 with a return on average common stockholders' equity of 14.2% and would have been $485 million in 1996 with a return on average common stockholders' equity of 11.1%.

(e) Includes capitalized salaries, wages and employee benefit costs.

Map Description

Two-page white map of the Continental United States, Western Provinces of Canada, and Alaska, on a gray background.

The location of significant assets and operations are indicated on the map by operating company as follows:

A. Union Pacific Corporation

   1. Corporate Headquarters in Bethlehem, Pennsylvania.

B. Union Pacific Railroad

   1. Headquarters in Omaha, Nebraska

   2. Single, Double and Triple Track located in the states of Nebraska, Iowa, Illinois, Missouri, Kansas, Oklahoma, Arkansas, Tennessee, Louisiana, Minnesota, Wisconsin, Texas, Colorado, Wyoming, Utah, Idaho, Montana, Nevada, California, Oregon South Dakota and Washington.

   3. Classification Yards located in the states of Nebraska, Illinois, Missouri, Arkansas, Louisiana, Texas, Idaho, California and Oregon.

   4. Major Intermodal Trailer/Container Terminals located in the states of Nebraska, Illinois, Missouri, Arkansas, Tennessee, Louisiana, Texas, Colorado, Utah, California and Washington.

C. Union Pacific Resources

   1. Headquarters in Fort Worth, Texas.

   2. Major Petroleum Producing Areas in Texas, Arkansas, Kansas, Louisiana, Colorado, Wyoming, Utah, Alberta, British Columbia and the Gulf of Mexico.

   3. Exploration and Development Activities in British Columbia, Louisiana, Texas, Colorado, Wyoming, Utah, Indiana, Kansas and the Gulf of Mexico.

   4. Major Gas Processing Plants in Texas, Utah, Wyoming, Colorado, and Alberta.

   5. Coal Operations in Wyoming.

   6. Trona Activities in Wyoming.

   7. Construction Materials Activities in Missouri and Utah.

   8. Pipelines - Overland Trail Pipeline in Wyoming and the Wahsatch Gathering System in Utah, Idaho and Wyoming.

D. Overnite Transportation

   1. Headquarters in Richmond, Virginia.

2. Key Terminals spread throughout the eastern half of the Continental United States; and in the western states of Washington, Oregon, California, Nevada, Utah, Arizona, New Mexico, Texas and Colorado; and in the Canadian cities of Toronto and Montreal.

E. Skyway Freight Systems

1. Headquarters in Watsonville, California.

2. Key Terminals in the states of Washington, California, Arizona, Colorado, Texas, Iowa, Illinois, Indiana, Ohio, Florida, Georgia, North Carolina, New Jersey, Minnesota, Delaware, Connecticut and Massachusetts.

3. Support Operations in Nebraska, Texas and Virginia.

F. Union Pacific Technologies

1. Headquarters in St. Louis, Missouri.

EXHIBIT 21

SIGNIFICANT SUBSIDIARIES OF UNION PACIFIC CORPORATION

NAME OF CORPORATION	STATE OF INCORPORATION
Overnite Transportation Company.............	Virginia
Union Pacific Railroad Company..............	Utah
Missouri Pacific Corporation................	Delaware
Missouri Pacific Railroad Company...........	Delaware
Resources Holdings, Inc.....................	Delaware
Union Pacific Finance Company...............	Delaware
Union Pacific Resources Company.............	Delaware
Union Pacific Resources Group Inc...........	Utah
Union Pacific Technologies, Inc.............	Delaware
Skyway Freight Systems, Inc.................	California

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Post-Effective Amendment No. 1 to Registration Statement No. 2-79663, Post-Effective Amendment No. 1 to Registration Statement No. 33-12513, Registration Statement No. 33-18877, Registration Statement No. 33-22106, Registration Statement No. 33-44236, Registration Statement No. 33-53968, Registration Statement No. 33-49785, Registration Statement No. 33-49849, Registration Statement No. 33-51071, Registration Statement No. 33-51735, Registration No. 33-54811 and Registration Statement No. 33-58563 on Forms S-8, Registration Statement No. 33-59323 on Form S-3 and Registration Statement No. 33-64707 on Form S-4 of our report dated January 18, 1996, incorporated by reference in the Annual Report on Form 10-K of Union Pacific Corporation for the year ended December 31, 1995.

/S/ DELOITTE & TOUCHE LLP
- -------------------------

New York, New York
March 26, 1996

EXHIBIT 24

UNION PACIFIC CORPORATION
POWERS OF ATTORNEY

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ ROBERT P. BAUMAN

Robert P. Bauman

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/s/ RICHARD B. CHENEY

Richard B. Cheney

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/s/ E. VIRGIL CONWAY

E. Virgil Conway

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/s/ RICHARD K. DAVIDSON

Richard K. Davidson

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/s/ SPENCER F. ECCLES

Spencer F. Eccles

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ ELBRIDGE T. GERRY, JR.

Elbridge T. Gerry, Jr.

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/s/ WILLIAM H. GRAY, III

William H. Gray, III

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker her true and lawful attorney-in-fact and agent, to sign on her behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ JUDITH RICHARDS HOPE

Judith Richards Hope

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ RICHARD J. MAHONEY

Richard J. Mahoney

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ L. WHITE MATTHEWS, III

L. White Matthews, III

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/s/ JACK L. MESSMAN

Jack L. Messman

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ JOHN R. MEYER

John R. Meyer

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ THOMAS A. REYNOLDS, JR.

Thomas A. Reynolds, Jr.

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ JAMES D. ROBINSON, III

James D. Robinson, III

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ ROBERT W. ROTH

Robert W. Roth

The undersigned, a director of Union Pacific Corporation, a Utah corporation (the "Company"), hereby appoints each of Drew Lewis, Judy L. Swantak and Thomas E. Whitaker his true and lawful attorney-in-fact and agent, to sign on his behalf the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and any and all amendments thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission.

/s/ RICHARD D. SIMMONS

Richard D. Simmons

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
STATEMENTS OF CONSOLIDATED INCOME AND CONSOLIDATED FINANCIAL POSITION AND IS
QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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12-MOS
DEC-31-1995
JAN-01-1995
DEC-31-1995
230
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1,002
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238
1,679
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