

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

FORM 10-Q

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

For the quarterly period ended JUNE 30, 1995

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from ----- to -----
Commission file number 1-8339

NORFOLK SOUTHERN CORPORATION

(Exact name of registrant as specified in its charter)

Virginia

52-1188014

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

Three Commercial Place
Norfolk, Virginia

23510-2191

(Address of principal executive offices)

Zip Code

Registrant's telephone number, including area code (804) 629-2680

No Change

(Former name, former address and former fiscal year,
if changed since last report.)

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. (X) Yes () No

The number of shares outstanding of each of the registrant's classes of
Common Stock, as of the last practicable date:

Class	Outstanding as of July 31, 1995
-----	-----
Common Stock (par value \$1.00)	131,026,404 shares (excluding 7,252,634 shares held by registrant's consolidated subsidiaries)

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES (NS)

INDEX

Page

Part I. Financial Information:

Item 1. Consolidated Statements of Income
Three Months and Six Months Ended
June 30, 1995 and 1994

Consolidated Balance Sheets June 30, 1995, and December 31, 1994	4
Consolidated Statements of Cash Flows Six Months Ended June 30, 1995 and 1994	5
Notes to Consolidated Financial Statements	6-7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	8-12
PartII. Other Information:	
Item 4. Submission of Matters to a Vote of Security Holders	13
Item 6. Exhibits and Reports on Form 8-K	14
Signatures	15
Index to Exhibits	16

PAGE 3

PART I. FINANCIAL INFORMATION

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES Consolidated Statements of Income (In millions of dollars except per share amounts) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
	-----	-----	-----	-----
TRANSPORTATION OPERATING REVENUES:				
Railway:				
Coal	\$ 311.3	\$ 322.5	\$ 611.6	\$ 627.4
Merchandise	677.2	648.6	1,347.4	1,258.0
Other	27.9	26.7	56.6	54.7
	-----	-----	-----	-----
Total railway	1,016.4	997.8	2,015.6	1,940.1
Motor carrier	173.8	163.6	313.3	298.1
	-----	-----	-----	-----
Total operating revenues	1,190.2	1,161.4	2,328.9	2,238.2
	-----	-----	-----	-----
TRANSPORTATION OPERATING EXPENSES:				
Railway:				
Compensation and benefits	356.6	341.7	731.9	693.1
Materials, services and rents	162.7	165.3	325.8	326.3
Depreciation	96.7	95.0	191.1	188.3
Diesel fuel	47.0	46.7	95.7	92.4
Casualties and other claims	28.8	37.5	61.0	66.6
Other	40.9	39.0	76.4	76.5
	-----	-----	-----	-----
Total railway	732.7	725.2	1,481.9	1,443.2
Motor carrier	167.4	157.9	307.8	294.4
	-----	-----	-----	-----
Total operating expenses	900.1	883.1	1,789.7	1,737.6
	-----	-----	-----	-----
Income from operations	290.1	278.3	539.2	500.6
	-----	-----	-----	-----
Other income (expense):				
Interest income	8.6	5.6	14.8	11.3
Interest expense on debt	(28.6)	(24.0)	(56.9)	(47.7)
Other - net	21.0	18.6	70.5	39.6
	-----	-----	-----	-----
Total other income	1.0	0.2	28.4	3.2

Income before income taxes	291.1	278.5	567.6	503.8
Provision for income taxes	109.9	100.0	215.7	180.4
NET INCOME	\$ 181.2	\$ 178.5	\$ 351.9	\$ 323.4
	=====	=====	=====	=====

Per share amounts (Note 5):

Net income	\$ 1.38	\$ 1.30	\$ 2.67	\$ 2.35
Dividends	0.52	0.48	1.04	0.96

See accompanying notes to consolidated financial statements.

PAGE 4

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(In millions of dollars)
(Unaudited)

	June 30, 1995	December 31, 1994
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 104.0	\$ 57.0
Short-term investments	219.5	249.7
Accounts receivable - net	735.6	726.6
Materials and supplies	69.7	61.9
Deferred income taxes	135.6	137.0
Other current assets	87.8	105.3
	-----	-----
Total current assets	1,352.2	1,337.5
Investments	216.2	172.8
Properties less accumulated depreciation	9,192.9	8,987.1
Other assets	68.1	90.4
	-----	-----
TOTAL ASSETS	\$10,829.4	\$10,587.8
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 41.1	\$ 44.9
Accounts payable	696.1	704.1
Income and other taxes	210.1	168.5
Other current liabilities	164.8	142.3
Current maturities of long-term debt (Note 3)	63.9	72.0
	-----	-----
Total current liabilities	1,176.0	1,131.8
Long-term debt (Note 3)	1,612.6	1,547.8
Other liabilities	975.2	961.9
Minority interests	51.8	53.5
Deferred income taxes	2,244.2	2,208.0
	-----	-----
TOTAL LIABILITIES	6,059.8	5,903.0
	-----	-----
Stockholders' equity:		
Common stock \$1.00 per share par value	138.4	140.4
Other capital	418.2	410.4
Retained income	4,233.6	4,154.6
Less treasury stock at cost, 7,252,634 shares	(20.6)	(20.6)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	4,769.6	4,684.8
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$10,829.4	\$10,587.8
	=====	=====

See accompanying notes to consolidated financial statements.

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In millions of dollars)
(Unaudited)

	Six Months Ended June 30,	
	1995	1994
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 351.9	\$ 323.4
Reconciliation of net income to net cash provided by operating activities:		
Special charge payments	(7.0)	(28.0)
Depreciation	203.6	203.0
Deferred income taxes	35.2	18.9
Nonoperating gains and losses on properties and investments	(49.0)	(9.7)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(3.9)	(25.2)
Materials and supplies	(7.8)	(2.9)
Other current assets	17.5	2.7
Current liabilities other than debt	70.4	63.2
Other - net	12.8	(0.5)
	-----	-----
Net cash provided by operating activities	623.7	544.9
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions (Note 3)	(332.7)	(314.8)
Property sales and other transactions	53.6	59.3
Investments and loans	(39.6)	(33.8)
Investment sales and other transactions	24.2	260.3
Short-term investments - net	33.4	(1.8)
	-----	-----
Net cash used for investing activities	(261.1)	(30.8)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends	(137.7)	(132.4)
Common stock issued - net	4.7	8.1
Purchase and retirement of common stock	(153.7)	(124.6)
Proceeds from long-term borrowings (Note 3)	7.6	--
Debt repayments	(36.5)	(39.1)
	-----	-----
Net cash used for financing activities	(315.6)	(288.0)
	-----	-----
Net increase in cash and cash equivalents	47.0	226.1
CASH AND CASH EQUIVALENTS:*		
At beginning of year	57.0	80.5
	-----	-----
At end of period	\$ 104.0	\$ 306.6
	=====	=====

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 56.6	\$ 47.1
Income taxes	\$ 127.5	\$ 109.3

* Cash equivalents are highly liquid investments purchased three months or less from maturity.

See accompanying notes to consolidated financial statements.

1. In the opinion of Management, the accompanying unaudited interim financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position as of June 30, 1995, and the results of operations and cash flows for the six months ended June 30, 1995, and 1994.

While Management believes that the disclosures presented are adequate to make the information not misleading, these consolidated financial statements should be read in conjunction with the financial statements and notes included in the Corporation's latest Annual Report on Form 10-K.

2. Contingencies

There have been no significant changes since year end 1994 in the matters as discussed in NOTE 17, CONTINGENCIES, appearing in the NS Annual Report on Form 10-K for 1994, Notes to Consolidated Financial Statements, beginning on page 72.

3. Capital Leases

During the first quarter of 1995, an NS rail subsidiary entered into capital leases covering 114 new locomotives having a total cost of \$134.9 million. The related capital lease obligations totaling \$104.5 million were reflected in the Consolidated Balance Sheet as debt and, because they were non-cash transactions, were excluded from the Consolidated Statement of Cash Flows. The lease obligations carry stated interest rates between 8.23 percent and 8.60 percent but were converted to variable rate obligations using interest rate swap agreements. The interest rates on these obligations are based on the six-month London Interbank Offered Rate, plus 35 basis points, and will be reset every six months with realized gains or losses accounted for as an adjustment of interest expense over the terms of the leases.

4. Stock Purchase Programs

Since 1987, the Board of Directors has authorized the purchase and retirement of up to 65 million shares of NS common stock. Purchases under the programs have been made with a combination of internally generated cash and through the issuance of debt. Since the first purchases in December 1987 through June 30, 1995, NS has purchased and retired 61,431,800 shares of its common stock under these programs at a cost of approximately \$2.7 billion. Future purchases are dependent on market conditions, the economy, cash needs and alternative investment opportunities.

PAGE 7

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Earnings Per Share

"Earnings per share" is computed by dividing net income by the weighted average number of common shares outstanding as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	1995	1994	1995	1994
	----	----	----	----
	(In thousands)			
Average number of shares outstanding	131,525	137,165	132,009	137,662

Recent decreases in the average number of outstanding shares of NS common stock are the result of the stock purchase program described

in Note 4.

PAGE 8

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Management's Discussion and Analysis of Financial Condition
and Results of Operations

RESULTS OF OPERATIONS

Net Income

"Net income" increased \$2.7 million, or 2 percent, in the second quarter of 1995, compared with the second quarter of 1994. This was NS' best second-quarter net income and reflects improved income from operations, which was up \$11.8 million, or 4 percent.

Net income for the six months ended June 30, 1995, was up \$28.5 million, or 9 percent, over the comparable period last year. Increased operating profitability and nonoperating income, principally due to the first-quarter gain on the partial redemption of a partnership interest, were responsible for the improvement.

Railway Operating Revenues

"Railway operating revenues" increased \$18.6 million, or 2 percent, in the second quarter and \$75.5 million, or 4 percent, for the six months ended June 30, 1995, compared with the same periods last year. The increases in operating revenues were due to:

	Second Quarter 1995 vs. 1994 Increase (Decrease)	First Six Months 1995 vs. 1994 Increase (Decrease)
	-----	-----
	(In millions of dollars)	
Traffic volume (carloads)	\$ 19.3	\$ 106.3
Revenue per unit/mix	(1.9)	(32.7)
Other	1.2	1.9
	-----	-----
	\$ 18.6	\$ 75.5
	=====	=====

PAGE 9

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Management's Discussion and Analysis of Financial Condition
and Results of Operations

The principal revenue commodity groups and changes from the prior year were as follows:

	Second Quarter 1995 vs. 1994 Increase (Decrease)	First Six Months 1995 vs. 1994 Increase (Decrease)
	-----	-----
	(In millions of dollars)	
Coal	\$ (11.2)	\$ (15.8)
Merchandise:		
Intermodal	12.8	30.3
Automotive	9.0	20.9
Paper/forest	4.4	11.8
Metals/construction	2.5	14.5

Agriculture	2.4	5.7
Chemicals	(2.5)	6.2
Other, principally switching and demurrage	1.2	1.9
	-----	-----
	\$ 18.6	\$ 75.5
	=====	=====

Coal

Most of the decline in coal revenues compared with last year was attributable to lower domestic utility coal shipments. High stockpiles at coal-fired generating plants, a result of unseasonably mild weather through June, and an increase in nuclear power generation combined to lower demand for utility coal. The unfavorable comparison was also partly a result of relatively strong demand last year, as utilities were rebuilding depleted stockpiles during the first half of 1994. On the positive side, coal shipments began to recover somewhat during the second quarter, as the effects of the continuing economic recovery in Europe translated into a modest increase in demand for export coal.

Looking ahead, the export market for coal shipped over NS' lines appears to have firmed, and the slow growth which began in the second quarter is expected to continue into the second half of the year. Limited improvement is anticipated in domestic utility shipments, however, as high stockpiles and greater nuclear power generation are expected to continue to hold down short-term demand.

PAGE 10

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES Management's Discussion and Analysis of Financial Condition and Results of Operations

Merchandise

All merchandise commodity groups (except chemicals in the second quarter) produced higher revenues compared with last year. The largest increases were in the intermodal group, with revenue gains of \$12.8 million, or 12 percent, for the second quarter, and \$30.3 million, or 15 percent, for the first six months. Within the intermodal group, container traffic continued to post strong growth in the second quarter; however, a softening economy and the effects of last year's strike by truckers reduced the growth in trailer traffic volume, compared with second quarter 1994. NS' intermodal traffic business is expected to continue ahead of last year's pace, although a slowing economy may limit the overall gains in the second half of the year.

The automotive group also produced strong results for both the quarter and the first six months, with revenues climbing \$9.0 million, or 8 percent, and \$20.9 million, or 10 percent, respectively, over last year. NS' automotive traffic in 1995 has benefited from both an improved economy and increased market share. Looking ahead, however, growth in automotive volume and revenues is expected to slow somewhat in the second half of the year, as automakers reduce production due to sales declines and planned retooling downtime. Metals/construction revenues rose \$2.5 million, or 3 percent, in the second quarter, and \$14.5 million, or 9 percent, for the first six months, compared with the prior year. Paper/forest revenues were up \$4.4 million, or 3 percent, for the quarter, and \$11.8 million, or 5 percent, for the first six months. The improvements were primarily due to higher average revenues per shipment, as second-quarter traffic volume in the metals/construction group declined 2 percent, and was flat for the paper/forest group. Agriculture revenues were up \$2.4 million and \$5.7 million, or 3 percent, for the second quarter and year-to-date, respectively. The gains were largely due to traffic carried over from last year's record corn and soybean harvests. Chemicals was the only merchandise commodity with lower results in the second quarter, down \$2.5 million, or 2 percent, compared with 1994, a result of heavy rains in the Midwest, which caused a decline in fertilizer shipments. However, for the first half, chemical revenues were up \$6.2 million, or 2 percent, compared with last year. The outlook

for the remainder of the year is for modest growth in NS' chemicals traffic, however, as overall demand is expected to track the domestic economy.

Railway Operating Expenses

"Railway operating expenses" increased \$7.5 million, or 1 percent, in the second quarter of 1995, and \$38.7 million, or 3 percent, for the first half, compared with the same periods last year. During the second quarter of 1995, NS recorded a \$7 million charge for the costs related to the closing of two car repair shops. These costs are reflected in "Compensation and benefits" (\$2.8 million), for separations and transfers; in "Materials, services and rents" (\$0.5 million); and in "Other" expense (\$3.7 million), for relocation costs.

PAGE 11

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES Management's Discussion and Analysis of Financial Condition and Results of Operations

The largest expense increase for the quarter was in "Compensation and benefits" which was up \$14.9 million, or 4 percent. The main factors contributing to this increase were: (1) higher wage rates, including a 4 percent increase, effective July 1, 1994, for agreement employees; (2) higher health care costs for agreement employees due to the absorption last year of the cash surplus in a multi-railroad insurance fund; (3) increased accruals for stock-based compensation, a result of the rise in the price of NS stock; and (4) voluntary separation charges related to the shop closings. Partially offsetting these increases was a one-time recovery of railroad retirement supplemental annuity taxes totaling \$5.3 million, resulting from a settlement between the major railroads and the Internal Revenue Service. Smaller increases in second-quarter expenses were recorded in "Other" expense, which was up \$1.9 million, or 5 percent, due to the charges related to shop closings, and "Depreciation," up \$1.7 million, or 2 percent. These increases were offset partially by a reduction in "Casualties and claims" expense, which declined \$8.7 million, or 23 percent, due to a combination of: (1) the effect of last year's \$5 million accrual for environmental clean-up costs associated with a tank car leak; and (2) favorable experience in settling personal injury claims.

The increase in year-to-date "Railway operating expenses" was also primarily due to higher compensation and benefits costs which were up \$38.8 million, or 6 percent, for the same reasons mentioned in the second-quarter discussion. Other year-to-date increases were in "Depreciation," up \$2.8 million, or 1 percent, and "Diesel fuel," up \$3.3 million, or 4 percent, due to moderate increases in both consumption and price per gallon. The principal decrease in year-to-date railway operating expenses was in "Casualties and other claims" which declined \$5.6 million, or 8 percent, again as a result of costs related to last year's tank car spill and this year's more favorable personal injury claims experience.

Motor Carrier Operating Revenues

"Motor carrier operating revenues" increased \$10.2 million, or 6 percent, for the second quarter and \$15.2 million, or 5 percent, for the first six months, compared with the same periods last year. Most of the increase was in the High Value Products Division where all business units reported increased revenues primarily as a result of the recovering economy and increased sales efforts in the blanketwrap (specialized handling of uncartoned freight) unit and at the distribution centers.

Motor Carrier Operating Expenses

"Motor carrier operating expenses" rose \$9.5 million, or 6 percent, for the second quarter and \$13.4 million, or 5 percent, for the first six months, compared with the same periods last year. These increases were principally volume related.

PAGE 12

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
Management's Discussion and Analysis of Financial Condition
and Results of Operations

Other Income (Expense)

"Other income (expense)" was up \$0.8 million over the second quarter of 1994 and \$25.2 million for the first six months, compared with the same periods last year. The year-to-date increase was largely attributable to a \$30.5 million (\$18.8 million after-tax) gain resulting from the partial redemption of a real estate partnership interest. "Interest income" was up \$3.0 million, or 54 percent, and \$3.5 million, or 31 percent, for the second quarter and year-to-date, primarily due to higher interest rates. "Interest expense on debt" increased \$4.6 million and \$9.2 million, or 19 percent, for the second quarter and year-to-date, respectively, mainly due to higher rates on commercial paper debt.

Income Taxes

The "Provision for income taxes" in the second quarter of 1995 totaled \$109.9 million, for an effective rate of 37.8 percent, compared with an effective rate of 35.9 percent last year. The lower rate in 1994 resulted from a favorable adjustment to the valuation allowance for a deferred tax asset. For the first six months of 1995, income taxes were \$215.7 million for an effective tax rate of 38.0 percent, compared with an effective tax rate of 35.8 percent in 1994. The lower effective rate in the first half of 1994 was due primarily to adjustments in federal income tax reserves related to prior years and to the adjustment to the valuation allowance.

FINANCIAL CONDITION AND LIQUIDITY

	June 30, 1995	December 31, 1994
	-----	-----
	(Dollars in millions)	
Cash and short-term investments	\$323.5	\$306.7
Working capital	\$176.2	\$205.7
Current ratio	1.1	1.2
Debt to total capitalization	26.5%	26.2%

CASH FLOWS FROM OPERATING ACTIVITIES are NS' principal source of liquidity and were sufficient to cover cash outflows for dividends, debt repayments and capital spending (see Consolidated Statements of Cash Flows on page 5). The increase in cash provided by operating activities compared with the first six months of 1994 was primarily due to higher income from operations and lower special charge payments.

CASH FLOWS FROM INVESTING ACTIVITIES were affected principally by capital spending for property additions, which in the first half of 1995 included approximately \$30 million related to locomotives under capital leases (see Note 3). "Property sales and other transactions" primarily reflects proceeds from dispositions of nonoperating property. "Investments and loans" consists primarily of premium payments related to corporate-owned life insurance (COLI), while "Investment sales and other transactions" principally reflects borrowing on COLI.

CASH FLOWS FROM FINANCING ACTIVITIES primarily reflect uses of cash with the largest amount having been spent on the stock purchase program (see Note 4). "Proceeds from long-term borrowings" represents amounts received in connection with capital lease transactions entered into during the first quarter (see Note 3).

PAGE 13

PART II - OTHER INFORMATION

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

Item 4. Submission of Matters to a Vote of Security Holders

Registrant's annual meeting of stockholders was held on May 11, 1995, at which meeting four directors were elected to the class whose term will expire in 1998; the Norfolk Southern Corporation Long-Term Incentive Plan, as amended, was approved; the Norfolk Southern Corporation Executive Management Incentive Plan was approved; and the appointment of independent public accountants was ratified.

The four nominees for directors, who were uncontested, were elected by the following vote:

	Three-Year Term	
	FOR	AUTHORITY WITHHELD
	---	-----
L. E. Coleman	107,640,451 votes	571,744 votes
T. Marshall Hahn, Jr.	107,610,279 votes	601,916 votes
Landon Hilliard	107,668,079 votes	544,116 votes
Jane Margaret O'Brien	107,554,497 votes	657,698 votes

The Norfolk Southern Corporation Long-Term Incentive Plan, as amended, was approved by the following vote:

FOR: 88,225,758 shares AGAINST: 18,971,114 shares
 ABSTAINED: 1,015,323 shares

The Norfolk Southern Corporation Executive Management Incentive Plan was approved by the following vote:

FOR: 103,284,056 shares AGAINST: 3,804,966 shares
 ABSTAINED: 1,123,173 shares

The appointment of KPMG Peat Marwick, LLP, independent public accountants, was ratified by the following vote:

FOR: 107,296,304 shares AGAINST: 507,911 shares
 ABSTAINED: 407,980 shares

PAGE 14

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Computation of Per Share Earnings

Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed for the three months ended June 30, 1995.

PAGE 15

SIGNATURES

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

NORFOLK SOUTHERN CORPORATION

(Registrant)

Date: August 9, 1995 /s/ Dezora M. Martin

Dezora M. Martin
Corporate Secretary (Signature)

Date: August 9, 1995 /s/ John P. Rathbone

John P. Rathbone
Vice President and Controller
(Principal Accounting Officer) (Signature)

PAGE 16

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

INDEX TO EXHIBITS

Electronic Submission Exhibit Number	Description	Page Number
-----	-----	-----
11	Statement re Computation of Per Share Earnings	17-18
27	Financial Data Schedule (This exhibit is required to be submitted electronically pursuant to the rules and regulations of the Securities and Exchange Commission and shall not be deemed filed for purposes of Section 11 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934).	19

EXHIBIT 11 Page 1 of 2

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
COMPUTATION OF PER SHARE EARNINGS
(In millions except per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1995	1994	1995	1994
-----	-----	-----	-----	-----
Computation for Statements of Income				

Net income per statements of income	\$ 181.2	\$ 178.5	\$ 351.9	\$ 323.4
	-----	-----	-----	-----
Weighted average number of shares outstanding	131.5	137.2	132.0	137.7
	-----	-----	-----	-----
Primary earnings per share	\$ 1.38	\$ 1.30	\$ 2.67	\$ 2.35
	=====	=====	=====	=====
Additional Primary Computation				

Net income per statements of income	\$ 181.2	\$ 178.5	\$ 351.9	\$ 323.4
	-----	-----	-----	-----
Adjustment to weighted average number of shares outstanding:				
Weighted average number of shares outstanding per primary computation above	131.5	137.2	132.0	137.7
Dilutive effect of outstanding options, stock appreciation rights (SARs) and performance share units (PSUs) (as determined by the application of the treasury stock method) (1)	1.2	1.1	1.2	1.2
	-----	-----	-----	-----
Weighted average number of shares outstanding, as adjusted	132.7	138.3	133.2	138.9
	=====	=====	=====	=====
Primary earnings per share, as adjusted (2):				
Net income	\$ 1.37	\$ 1.29	\$ 2.64	\$ 2.33
	=====	=====	=====	=====

(1) See Note 12 of Notes to Consolidated Financial Statements in Norfolk Southern's 1994 Annual Report on Form 10-K for a description of the Long-Term Incentive Plan.

(2) These calculations

are submitted in accordance with Regulation S-K item 601(b)(11) although not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because they result in dilution of less than 3 percent.

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES
COMPUTATION OF PER SHARE EARNINGS
(In millions except per share amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1995	1994	1995	1994
	-----	-----	-----	-----
Fully Diluted Computation				

Net income per statements of income	\$ 181.2	\$ 178.5	\$ 351.9	\$ 323.4
Adjustment to increase earnings to requisite level to earn maximum PSUs, net of tax effect	13.1	27.0	25.4	48.8
	-----	-----	-----	-----
Net income, as adjusted	\$ 194.3	\$ 205.5	\$ 377.3	\$ 372.2
	=====	=====	=====	=====
Adjustment to weighted average number of shares outstanding, as adjusted for additional primary calculation:				
Weighted average number of shares outstanding, as adjusted per additional primary computation on page 1	132.7	138.3	133.2	138.9
Additional dilutive effect of outstanding options and SARs (as determined by the application of the treasury stock method using period end market price)	0.1	--	0.1	--
Additional shares issuable at maximum level for PSUs	0.1	0.1	0.1	0.1
	-----	-----	-----	-----
Weighted average number of shares, as adjusted	132.9	138.4	133.4	139.0
	=====	=====	=====	=====
Fully diluted earnings per share (3):	\$ 1.46	\$ 1.48	\$ 2.83	\$ 2.68
	=====	=====	=====	=====

(3) These calculations are submitted in accordance with Regulation S-K item 601(b)(11) although they are contrary to paragraph 40 of APB Opinion No. 15 because they produce an anti-dilutive result.

<ARTICLE> 5
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