

<TABLE>
<CAPTION>

<S>	FORM 4	<C>	U.S. SECURITIES AND EXCHANGE COMMISSION	<C>	OMB
APPROVAL			WASHINGTON, D.C. 20549		OMB Number 3235-
0287					Expires:
/ / Check this box if no longer					Estimated average
September 30, 1998					hours per
subject to section 16. Form 4	STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP				
burden					
or Form 5 obligations may					
response.....0.5					
continue. See Instruction 1(b).	Filed pursuant to Section 16(a) of the Securities				
	Exchange Act of 1934, Section 17(a) of the Public				
	Utility Holding Company Act of 1935 or Section 30(f)				
	of the Investment Company Act of 1940				

</TABLE>

1. Name and Address of Reporting Person

Merrill Lynch, Pierce, Fenner & Smith Incorporated

(Last) (First) (Middle)

World Financial Center - North Tower
250 Vesey Street

(Street)

New York NY 10281

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

MotivePower Industries Inc., fka MK Rail Corporation (MPO)

3. IRS or Social Security Number of Reporting Person (Voluntary) #13-5674085	4. Statement for Month/Year 10/97

5. If Amendment,
Date of Original
(Month/Year)
11/97

6. Relationship of Reporting Person to Issuer
(Check all applicable)

____ Director	____ 10% Owner
---- Officer (give title below)	X Other (specify below) *

*Deemed member of group

7. Individual or Joint/Group Filing (Check Applicable
Line)

____ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

<TABLE>
<CAPTION>

TABLE I -- NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED

<S>	<C>	<C>	<C>	<C>	<C>
-----	-----	-----	-----	-----	-----

<C>

1. Title of Security 7. Nature (Instr. 3) of In- direct Bene- ficial Indirect ship	2. Trans- action Date Year) (Month/ Day/ Year)	3. Trans- action Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or (I)
--	--	---	---	---	---

	Code	V	Amount	(A) or (D)	Price	
Common Stock, \$.01 par value			17,000	D	25.00	D
Common Stock, \$.01 par value			4,500	D	25.06	D
Common Stock, \$.01 par value			3,500	D	25.13	D
Common Stock, \$.01 par value			2,200	D	25.31	D
Common Stock, \$.01 par value			200	D	25.25	D
Common Stock, \$.01 par value			2,700	D	25.13	D
Common Stock, \$.01 par value			7,500	D	26.13	D
Common Stock, \$.01 par value			100	D	26.00	D

*If the form is filed by more than reporting person, see Instruction 4(b)(v).

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

(Print or Type Responses)

</TABLE>

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FORM 4 (CONTINUED)

1. Name and Address of Reporting Person

Merrill Lynch, Pierce, Fenner & Smith Incorporated

(Last) (First) (Middle)

World Financial Center - North Tower
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(Street)

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Date of Original
(Month/Year)

11/97

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(Check all applicable)

<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
<input type="checkbox"/> Officer (give ---- title below)	<input checked="" type="checkbox"/> Other (specify ---- below)*

*Deemed member of group

7. Individual or Joint/Group Filing (Check Applicable Line)

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1. Title of Security 7. Nature (Instr. 3) of In- direct Bene- ficial Indirect ship	2. Trans- action Date Year) (Month/ Day/ Year)	3. Trans- action Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or (I)
		----- Code	V	Amount	(A) or Price (D)
Common Stock, \$.01 par value	10/03/97	S		1,000	D 25.75
Common Stock, \$.01 par value	10/08/97	S		2,000	D 25.00
Common Stock, \$.01 par value	10/17/97	S		25,000	D 25.50
Common Stock, \$.01 par value	10/17/97	S		56,500	D 26.00
Common Stock, \$.01 par value	10/20/97	S		6,000	D 26.50
Common Stock, \$.01 par value	10/20/97	S		3,000	D 26.56
Common Stock, \$.01 par value	10/20/97	S		2,000	D 26.75
Common Stock, \$.01 par value	10/20/97	S		4,300	D 26.81
Common Stock, \$.01 par value	10/20/97	S		6,700	D 26.88
Common Stock, \$.01 par value	10/20/97	S		3,000	D 27.00
Common Stock, \$.01 par value	10/20/97	S		60,000	D 26.75
Common Stock, \$.01 par value	10/20/97	S		25,000	D 26.00
Common Stock, \$.01 par value	10/21/97	S		25,000	D 27.25
Common Stock, \$.01 par value	10/21/97	S		25,000	D 27.50
Common Stock, \$.01 par value	10/21/97	S		25,000	D 27.34
Common Stock, \$.01 par value	10/21/97	S		25,000	D 28.00

* If the form is filed by more than reporting person, see Instruction 4(b) (v).
Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

(Print or Type Responses)

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FORM 4 (CONTINUED)

1. Name and Address of Reporting Person

Merrill Lynch, Pierce, Fenner & Smith Incorporated

(Last) (First) (Middle)

World Financial Center - North Tower
250 Vesey Street

(Street)

New York NY 10281

(City) (State) (Zip)

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MotivePower Industries Inc., fka MK Rail Corporation (MPO)

3. IRS or Social Security Number of Reporting Person (Voluntary)
#13-5674085

4. Statement for Month/Year
10/97

5. If Amendment,
Date of Original
(Month/Year)
11/97

6. Relationship of Reporting Person to Issuer
(Check all applicable)

____ Director ____ 10% Owner

____ Officer (give X Other (specify
---- title below) ---- below)*

*Deemed member of group

7. Individual or Joint/Group Filing (Check Applicable Line)

____ Form filed by One Reporting Person
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TABLE I -- NON-DERIVATIVE SECURITIES ACQUIRED, DISPOSED OF, OR BENEFICIALLY OWNED

<S> <C>	<C>	<C>	<C>	<C>	<C>
1. Title of Security 7. Nature (Instr. 3) of In- direct Bene- ficial Indirect ship	2. Trans- action Date Year) (Month/ Day/ Year)	3. Trans- action Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or (I)
		Code	V	Amount (A) or Price (D)	
Common Stock, \$.01 par value	10/22/97	S		16,000 D 28.50	D
Common Stock, \$.01 par value	10/28/97	S		1,500 D 25.63	D
Common Stock, \$.01 par value	10/28/97	S		300 D 25.56	D
Common Stock, \$.01 par value	10/28/97	S		1,500 D 25.50	D
Common Stock, \$.01 par value	10/28/97	S		500 D 25.44	D
Common Stock, \$.01 par value	10/28/97	S		500 D 25.38	D
Common Stock, \$.01 par value	10/29/97	S		7,600 D 25.94	D
Common Stock, \$.01 par value	10/29/97	S		3,000 D 26.00	D
Common Stock, \$.01 par value	10/29/97	S		10,000 D 26.13	D
Common Stock, \$.01 par value	10/29/97	S		500 D 26.06	D
Common Stock, \$.01 par value	10/29/97	S		1,500 D 25.88	D
Common Stock, \$.01 par value	10/30/97	S		2,300 D 24.88	D
Common Stock, \$.01 par value	10/30/97	S		5,300 D 24.94	D
Common Stock, \$.01 par value	10/30/97	S		16,000 D 25.00	D
Common Stock, \$.01 par value	10/30/97	S		1,200 D 25.13	D
Common Stock, \$.01 par value	10/30/97	S		200 D 25.19	D
Common Stock, \$.01 par value					I
				155,872	D
				155,872	I

* If the form is filed by more than reporting person, see Instruction 4(b)(v).
Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

(Print or Type Responses)

</TABLE>

FORM 4 (continued)

<TABLE>
<CAPTION>Table II -- Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<S> 1. Title of Amount of Under Derivative Security 4) (Instr. 3)	<C> 2. Conver- sion or Exercise Price of Deriv- ative Security	<C> 3. Trans- action Date (Month/ Day/ Year)	<C> 4. Transac- tion Code (Instr. 8)	<C> 5. Number of Deriv- ative Securities Acquired (A) or disposed of (D)	<C> 6. Date Exer- cisable and Ex- piration Date (Month/Day/ Year)	<C> 7. Title and lying (Instr. 3 and
----- Amount or Number of Shares			----- Code V (A) (D)		----- Date Expira- tion Exer- tion cisable Date	Title

(table continued)

1. Title of Derivative Security (Instr. 3)	8. Price of Deriv- ative Secur- ity (Instr. 5)	9. Number of Deriv- ative Secur- ities Bene- ficially Owned at End of Month (Instr. 4)	10. Owner- ship Form of De- rivative Secu- rity: Direct (D) or Indi- rect (I) (Instr. 4)	11. Na- ture direct Bene- ficial Own- ership (Instr. 4)
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</TABLE>

Explanation of Responses:

* The Common Stock was acquired by Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a direct, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML&Co."), pursuant to an order of the United States Bankruptcy Court for the District of Delaware, dated August 26, 1996, confirming the First Amended Plan of Reorganization of Morrison Knudsen Corporation ("MKC") under Chapter 11 of the Bankruptcy Code (the "Plan") in satisfaction of certain claims against MKC. The Plan required creditors of MKC, including MLPF&S, to be bound by the terms of a Stockholders Agreement dated as of June 20, 1996. MLPF&S may be deemed to be a party to the Stockholders Agreement with certain other stockholders (the "Stockholders") pursuant to which the shares of Common Stock owned by MLPF&S and the Stockholders must be voted for certain nominees for election to the board of directors and certain transfer restrictions apply to MLPF&S and the Stockholders. Accordingly, MLPF&S and the Stockholders may be deemed to constitute a group for purposes of Section 13(d)(3) of the Exchange Act. The Reporting Persons disclaim beneficial ownership of the shares of Common Stock held by the Stockholders and disclaim that they constitute a group with the other Stockholders for purposes of Section 13(d)(3) of the Exchange Act.

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Merrill Lynch, Pierce, Fenner & Smith Incorporated

/s/ Andrea Lowenthal

December 9, 1997

Andrea Lowenthal***
Attorney-In-Fact-----
Date

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

*** Signed pursuant to a power of attorney, dated January 12, 1996, included as Exhibit 3 to the September 1996 Schedule 13D filed by MLPF&S for MK Rail Corporation (now known as MotivePower Industries, Inc.) and incorporated herein by reference.

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FORM 4 (continued)

JOINT FILER INFORMATION

Name: Merrill Lynch & Co., Inc.

Address: World Financial Center - North Tower
250 Vesey Street
New York, New York 10281

Designated Filer: Merrill Lynch, Pierce, Fenner & Smith Incorporated

Issuer & Ticker Symbol: MotivePower Industries, Inc., f/k/a MK Rail Corporation (MPO)

Date of Event
Requiring Statement: November 30, 1997

Signature: /s/ Andrea Lowenthal

Andrea Lowenthal*
Attorney-In-Fact

* Signed pursuant to a power of attorney, dated November 17, 1995, included as Exhibit B to the Schedule 13G filed by Merrill Lynch & Co., Inc. for Walden Residential Properties, Inc. and incorporated herein by reference.

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