

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED].

For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

COMMISSION FILE NUMBER 1-6780

RAYONIER INVESTMENT AND SAVINGS PLAN
FOR SALARIED EMPLOYEES
(Full title of the Plan)

RAYONIER INC.
1177 Summer Street
Stamford, Connecticut 06905-5529

(Name and address of Issuer of the securities held pursuant to the Plan)

RAYONIER INVESTMENT AND SAVINGS
PLAN FOR SALARIED EMPLOYEES

PLAN NUMBER 100
EMPLOYER IDENTIFICATION NUMBER 13-2607329

DECEMBER 31, 1996 AND 1995

RAYONIER INVESTMENT AND SAVINGS
PLAN FOR SALARIED EMPLOYEES

INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 1996 AND 1995

	PAGE

Report of Independent Public Accountants	1
Statement of Net Assets Available for Benefits with Fund Information as of December 31, 1996	2
Statement of Net Assets Available for Benefits with Fund Information as of December 31, 1995	3
Statement of Changes in Net Assets Available for Benefits with Fund Information for the Year Ended December 31, 1996	4
Notes to Financial Statements	5-9
Schedule I Item 27(a) Schedule of Assets Held for Investment Purposes as of December 31, 1996	10
Schedule II Item 27(d) Schedule of Reportable Transactions for the Year Ended December 31, 1996	11-13
Consent of Independent Public Accountants	14
Signatures	15

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Plan Administrator of the Rayonier Investment
and Savings Plan for Salaried Employees:

We have audited the accompanying statements of net assets available for benefits with fund information of the Rayonier Investment and Savings Plan for Salaried Employees as of December 31, 1996 and 1995, and the related statement of changes in net assets available for benefits with fund information for the year ended December 31, 1996. These financial statements and the schedules referred to below are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits with fund information of the Plan as of December 31, 1996 and 1995, and the changes in net assets available for benefits with fund information for the year ended December 31, 1996 in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of Assets Held for Investment Purposes and Reportable Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The Fund Information in the statements of net assets available for benefits with fund information and statement of changes in net assets available for benefits with fund information is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Stamford, Connecticut
June 16, 1997

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION
AS OF DECEMBER 31, 1996

	FUND A	FUND B	FUND C	FUND D	LOAN FUND	TOTAL
ASSETS						
Receivables:						
Accrued income	\$ 753	\$ 34	\$ 90,084	\$ 96	\$ --	\$ 90,967
Employer contributions	86,001	--	912	--	--	86,913
Member contributions	46,478	66,410	51,483	19,690	--	184,061
	-----	-----	-----	-----	-----	-----
Total receivables	133,232	66,444	142,479	19,786	--	361,941
Investments, at fair value (Note 2):						
Banker's Trust Pyramid Discretionary Cash Fund	552,371	--	1,627	3,254	--	557,252
Banker's Trust Pyramid Equity Index Fund	--	16,049,213	--	--	--	16,049,213
Banker's Trust Pyramid Open End GIC Fund	--	--	18,440,555	--	--	18,440,555
Prudential Jennison Balanced Account	--	--	--	4,602,531	--	4,602,531
Rayonier Inc. Common Shares	35,005,790	--	--	--	--	35,005,790
Member loans receivable	--	--	--	--	1,580,133	1,580,133
	-----	-----	-----	-----	-----	-----
Total investments	35,558,161	16,049,213	18,442,182	4,605,785	1,580,133	76,235,474
	-----	-----	-----	-----	-----	-----
Total assets	35,691,393	16,115,657	18,584,661	4,625,571	1,580,133	76,597,415
LIABILITIES						
Accounts payable	7,144	2,948	3,657	865	--	14,614
	-----	-----	-----	-----	-----	-----
Total liabilities	7,144	2,948	3,657	865	--	14,614
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$35,684,249	\$16,112,709	\$18,581,004	\$ 4,624,706	\$ 1,580,133	\$76,582,801
	=====	=====	=====	=====	=====	=====

The accompanying notes to the financial statements are an integral part of this statement.

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION
AS OF DECEMBER 31, 1995

	FUND A	FUND B	FUND C	FUND D	FUND I	LOAN FUND	TOTAL
ASSETS							
Receivables:							
Accrued income	\$ 1,073	\$ 42	\$ 82,555	\$ 40	\$ 1,275	\$ --	\$ 84,985
Employer contributions	46,725	--	579	--	--	--	47,304
Member contributions	25,054	28,252	43,285	9,007	--	--	105,598
Other member receivables	--	--	37,515	--	37,155	--	74,670
Total receivables	72,852	28,294	163,934	9,047	38,430	--	312,557
Investments, at fair value (Note 2):							
Banker's Trust Pyramid Discretionary Cash Fund	361,202	--	37,155	2,000	145,540	--	545,897
Banker's Trust Pyramid Equity Index Fund	--	8,280,500	--	--	--	--	8,280,500
Banker's Trust Pyramid Open End GIC Fund	--	--	16,728,557	--	--	--	16,728,557
Prudential Jennison Balanced Account	--	--	--	1,716,862	--	--	1,716,862
Rayonier Inc. Common Shares	10,592,691	--	--	--	--	--	10,592,691
ITT Hartford Group common stock	--	--	--	--	10,062,968	--	10,062,968
ITT Industries Inc. common stock	--	--	--	--	4,992,480	--	4,992,480
ITT Corporation common stock	--	--	--	--	11,025,060	--	11,025,060
Member loans receivable	--	--	--	--	--	1,531,405	1,531,405
Total investments	10,953,893	8,280,500	16,765,712	1,718,862	26,226,048	1,531,405	65,476,420
Total assets	11,026,745	8,308,794	16,929,646	1,727,909	26,264,478	1,531,405	65,788,977
LIABILITIES							
Accounts payable	66,560	--	--	--	--	--	66,560
Total liabilities	66,560	--	--	--	--	--	66,560
NET ASSETS AVAILABLE FOR BENEFITS	\$10,960,185	\$ 8,308,794	\$16,929,646	\$ 1,727,909	\$26,264,478	\$ 1,531,405	\$65,722,417

The accompanying notes to the financial statements are an integral part of this statement.

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1996

	FUND A	FUND B	FUND C	FUND D
	-----	-----	-----	-----
ADDITIONS				
Additions to net assets attributed to:				
Investment Income:				
Net appreciation in fair value of investments	\$ 2,937,386	\$ 2,710,076	\$ --	\$ 423,155
Dividends	908,633	--	--	--
Interest	35,293	1,922	1,021,044	1,323
	-----	-----	-----	-----
	3,881,312	2,711,998	1,021,044	424,478
Contributions:				
Employer's	1,632,273	--	29,353	--
Members'	1,096,317	1,405,777	1,278,060	403,138
	-----	-----	-----	-----
	2,728,590	1,405,777	1,307,413	403,138
Total additions	-----	-----	-----	-----
	6,609,902	4,117,775	2,328,457	827,616
DEDUCTIONS				
Deductions from net assets attributed to:				
Distributions to members	1,526,419	1,005,348	961,590	133,556
Administrative expenses	76,253	32,948	46,933	8,933
	-----	-----	-----	-----
Total deductions	1,602,672	1,038,296	1,008,523	142,489
	-----	-----	-----	-----
Net increase prior to interfund transfers	5,007,230	3,079,479	1,319,934	685,127
Interfund transfers	19,716,834	4,724,436	331,424	2,211,670
	-----	-----	-----	-----
Net increase / (decrease)	24,724,064	7,803,915	1,651,358	2,896,797
NET ASSETS AVAILABLE FOR BENEFITS:				
Beginning of period	10,960,185	8,308,794	16,929,646	1,727,909
End of period	\$ 35,684,249	\$ 16,112,709	\$ 18,581,004	\$ 4,624,706
	=====	=====	=====	=====

	FUND I	LOAN FUND	TOTAL
	-----	-----	-----
ADDITIONS			
Additions to net assets attributed to:			
Investment Income:			
Net appreciation in fair value of investments	\$ 1,809,902	\$ --	\$ 7,880,519
Dividends	102,292	--	1,010,925
Interest	11,155	107,026	1,177,763
	-----	-----	-----
	1,923,349	107,026	10,069,207
Contributions:			
Employer's	--	--	1,661,626
Members'	--	--	4,183,292
	-----	-----	-----
	--	--	5,844,918
Total additions	-----	-----	-----
	1,923,349	107,026	15,914,125
DEDUCTIONS			
Deductions from net assets attributed to:			
Distributions to members	1,185,438	56,627	4,868,978
Administrative expenses	19,696	--	184,763
	-----	-----	-----
Total deductions	1,205,134	56,627	5,053,741
	-----	-----	-----
Net increase prior to interfund transfers	718,215	50,399	10,860,384
Interfund transfers	(26,982,693)	(1,671)	--
	-----	-----	-----
Net increase / (decrease)	(26,264,478)	48,728	10,860,384
NET ASSETS AVAILABLE FOR BENEFITS:			
Beginning of period	26,264,478	1,531,405	65,722,417
End of period	\$ --	\$ 1,580,133	\$ 76,582,801
	=====	=====	=====

The accompanying notes to the financial statements
are an integral part of this statement.

RAYONIER INVESTMENT AND SAVINGS
PLAN FOR SALARIED EMPLOYEES

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

The following brief description of the Rayonier Investment and Savings Plan for Salaried Employees (the Plan) is provided for general information purposes only. Members should refer to the Plan document for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering all full-time salaried employees of Rayonier Inc. (the Company) upon the first day of any month following the employee's date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

(b) Contributions

Each year, members may elect to contribute up to 16 percent of the Member's Salary, as defined, to the Plan. Contributions may be made on a before-tax basis, an after-tax basis or a combination thereof. Each Plan year the Company contributes to the retirement account of each Member an amount equal to one-half of one percent of the Member's Salary for the Plan year. Effective July 1, 1995, the Plan was amended to increase the Company's matching contribution to 60 percent (from 50 percent) of the first 6 percent of each member's Salary that a Member contributes to the plan. Member before-tax contributions were limited by the Internal Revenue Service to \$9,500 per year per Member during 1996 and \$9,240 during 1995.

(c) Member Accounts

Each member's account is credited with the member's contribution and the related Company contribution. Plan earnings and administrative expenses are allocated to Member accounts based upon account balances. Forfeited balances of terminated Members' nonvested accounts are used to reduce future Company contributions. The benefit to which a Member is entitled is the benefit that can be provided from the member's vested account.

(d) Vesting

Members are immediately vested in their contributions plus actual earnings thereon. Vesting in the member's Company contribution account plus actual earnings

NOTES TO FINANCIAL STATEMENTS -- (Continued)

thereon is based on years of service. A Member vests 20 percent for each year of service with full vesting after five years of service.

(e) Investment Options

Contributions to the Plan are invested in the following funds:

FUND A

Funds are invested in Rayonier Inc. Common Shares.

FUND B

Funds are invested in a commingled fund comprised of a portfolio of common stocks, all of which are included in the Standard and Poor's 500 Composite Stock Index ("S&P 500"), with the objective of providing investment results which will approximate the performance of the S&P 500.

FUND C

Funds are invested in a commingled fund comprised of a diversified portfolio of benefit responsive Guaranteed Investment Contracts issued by banks, insurance companies and other financial institutions with the objective of providing a stable rate of return consistent with the preservation of principal.

FUND D

Funds are invested in a commingled fund comprised of a diversified portfolio of equity securities, fixed income securities and money market instruments.

FUND I

Funds are invested in the common stock of ITT Corporation, ITT Industries, Inc. and ITT Hartford Group (now the Hartford Financial Services Group).

Upon enrollment in the Plan, a Member may direct employee contributions in five percent increments to Fund A, Fund B, Fund C and Fund D. Members may change their investment options monthly. All Company contributions are made to Fund A with the following exception: a member who has attained age 55 may direct all or part of the member's Company contribution to Fund C.

As of March 31, 1996, the Plan terminated Fund I and redistributed the amounts invested in Fund I to other Plan funds. The amounts held in the Company Contributions Account and the Retirement Account were redistributed to Fund A. The amounts held in the Members' Contribution Account were redistributed to any of the other funds at the direction of the Members. If a Member did not inform the Plan Administrator how a Member's funds were to be directed, the Plan Administrator transferred the Member's fund balance to Fund A on March 31, 1996.

(f) Member Loans

Members may borrow from their fund accounts a minimum of \$1,000. Loan amounts may not exceed the lesser of (a) 50 percent of the member's vested balance, or (b) \$50,000 reduced by the member's highest outstanding loan balance, if any, during the prior one-year period. In no event may a Member borrow from the Member's Retirement Account. Loan transactions are treated as transfers between the investment funds and the Loan funds. Loan terms range from one to five years or up to fifteen years for the purchase of a primary residence. The loans are secured by the balance in the member's account and bear interest at a rate commensurate with local prevailing rates as determined periodically by the Plan Committee. The loans bear fixed interest rates that range from 7.0 percent to 11.5 percent at both December 31, 1996 and 1995. Principal and interest are paid ratably through monthly payroll deductions.

(g) Payment of Benefits

Upon termination, a Member may apply for distribution of the value of the member's vested account balance. Alternatively, upon termination, a Member whose vested account balance exceeds \$3,500 may elect to defer distribution until no later than the January 31 valuation date immediately following the member's attainment of age 70-1/2. Provided the member's vested account balance exceeds \$3,500, the Member may elect to receive benefit payments in annual installments generally over a period not to exceed twenty years.

(h) Forfeited Accounts

Forfeited nonvested accounts are used to reduce future employer contributions. In 1996, employer contributions were reduced by \$52,168 from forfeited nonvested accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accompanying financial statements of the Plan are prepared under the accrual method of accounting and are based on information certified to be complete and accurate by the trustee.

(b) Use of Estimates

The preparation of the financial statements requires the use of certain estimates in determining the reported amount of assets and liabilities at the date of the financial statements and the reported amount of contributions, earnings, distributions and expenses during the reported period. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Investments in Rayonier Inc. Common Shares, ITT Corporation common stock, ITT Industries, Inc. common stock, and ITT Hartford Group common stock are valued based upon quoted market prices. Member loans receivable are valued at cost which approximates fair value.

Certain Plan investments are shares of commingled investment funds. The fair value of such shares is determined by the trustee of each fund based upon the current market values of the underlying assets of the trust. The Company has received a copy of the financial statements of each of the commingled investment funds. Statements of net assets as of December 31, 1996 for the Banker's Trust Pyramid Discretionary Cash Fund, the Banker's Trust Pyramid Equity Index Fund, and the Banker's Trust Pyramid Open End GIC Fund have been filed directly with the Department of Labor under the EIN # 13-6043638. The statement of net assets as of December 31, 1996 for the Prudential Jennison Balanced Account has been filed as an attachment to the Plan's December 31, 1996 Form 5500.

Purchases and sales of securities are recorded on a trade-date basis. The cost of securities sold is determined on an average cost basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(d) Payment of Benefits

Benefits are recorded when paid.

3. RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of commingled investment funds managed by Banker's Trust Company (BT). BT is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Fees paid to BT for investment management services related to the Plan amounted to \$56,784 in 1996. In addition, certain Plan investments are Rayonier Inc. Common Shares. As Rayonier Inc. is the Plan Sponsor, these transactions qualify as party-in-interest transactions.

4. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, members will become 100 percent vested in their accounts.

5. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

	As of December 31,	
	1996	1995
	-----	-----
Net assets available for plan benefits per the financial statements	\$ 76,582,801	\$ 65,722,417
Amounts allocated to withdrawing members	(1,515,452)	(71,403)
	-----	-----
Net assets available for plan benefits per Form 5500	\$ 75,067,349	\$ 65,651,014
	=====	=====

The following is a reconciliation of benefits paid to members according to the financial statements to Form 5500:

	Year Ended December 31, 1996

Benefits paid to members per the financial statements	4,868,978
Add: Amounts allocated to withdrawing members - current year	1,515,452
Less: Amounts allocated to withdrawing members - prior year	(71,403)

Benefits paid to members per Form 5500	6,313,027
	=====

Amounts allocated to withdrawing members are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31 but not paid as of that date.

6. TAX STATUS

The Internal Revenue Service has determined and informed the Plan Administrator by a letter dated December 27, 1995, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and is being operated in compliance with the applicable requirements of the IRC.

7. ADMINISTRATIVE EXPENSES

An annual charge to the Plan of up to 0.25 percent of the market value of the assets held by the Plan is charged for expenses incurred in conjunction with Plan administration. Such expenses include, but are not limited to, investment management, trustee, record-keeping and audit fees. The Company pays the balance of Plan expenses in excess of the maximum charge to the Plan.

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
 ITEM 27(a) SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 AS OF DECEMBER 31, 1996
 PLAN NUMBER 100
 EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b) (c)	(d)	(e)	
Units / Shares	Description	Cost	Current Value	
*	557,252	Banker's Trust Pyramid Discretionary Cash Fund	\$ 557,252	\$ 557,252
*	9,442	Banker's Trust Pyramid Equity Index Fund	11,965,287	16,049,213
*	18,440,555	Banker's Trust Pyramid Open End GIC Fund	18,440,555	18,440,555
	1,922,906	Prudential Jennison Balanced Account	3,966,309	4,602,531
*	912,203	Rayonier Inc. Common Shares	31,912,354	35,005,790
**	1,580,133	Member loans receivable	--	1,580,133
		-----	-----	-----
		\$66,841,757	\$76,235,474	=====
		=====	=====	=====

* Denotes party-in-interest.

** The loans bear fixed interest rates that range from 7.0 percent to 11.5 percent.

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
 ITEM 27(d) SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 1996
 PLAN NUMBER 100
 EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b)	(c)	(d)
Identity of Party	Description of Transaction	Purchase Price	Selling Price
----- Series of Transactions -----			
Banker's Trust Company	Purchase of 49,728,375 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ 49,728,375 =====	\$ -- =====
Banker's Trust Company	Sale of 49,717,019 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ -- =====	\$ 49,717,019 =====
Banker's Trust Company	Purchase of 5,702 shares of the Banker's Trust Pyramid Equity Index Fund	\$ 8,529,181 =====	\$ -- =====
Banker's Trust Company	Sale of 2,257 shares of the Banker's Trust Pyramid Equity Index Fund	\$ -- =====	\$ 3,470,543 =====
Banker's Trust Company	Purchase of 5,020,983 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ 5,020,983 =====	\$ -- =====
Banker's Trust Company	Sale of 3,308,986 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ -- =====	\$ 3,308,986 =====
Banker's Trust Company	Purchase of 1,473,799 shares of the Prudential Jennison Balanced Account	\$ 3,255,398 =====	\$ -- =====

(a)	(b)	(g)	(h)	(i)
Identity of Party	Description of Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
----- Series of Transactions -----				
Banker's Trust Company	Purchase of 49,728,375 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$49,728,375 =====	\$49,728,375 =====	\$ -- =====
Banker's Trust Company	Sale of 49,717,019 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$49,717,019 =====	\$49,717,019 =====	\$ -- =====
Banker's Trust Company	Purchase of 5,702 shares of the Banker's Trust Pyramid Equity Index Fund	\$ 8,529,181 =====	\$ 8,529,181 =====	\$ -- =====
Banker's Trust Company	Sale of 2,257 shares of the Banker's Trust Pyramid Equity Index Fund	\$ 2,748,818 =====	\$ 3,470,543 =====	\$ 721,725 =====
Banker's Trust Company	Purchase of 5,020,983 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ 5,020,983 =====	\$ 5,020,983 =====	\$ -- =====
Banker's Trust Company	Sale of 3,308,986 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ 3,308,986 =====	\$ 3,308,986 =====	\$ -- =====
Banker's Trust Company	Purchase of 1,473,799 shares of the Prudential Jennison Balanced Account	\$ 3,255,398 =====	\$ 3,255,398 =====	\$ -- =====

SCHEDULE II
(Continued)

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
ITEM 27(d) SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1996
PLAN NUMBER 100
EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b)	(c)	(d)	(g)
Identity of Party	Description of Transaction	Purchase Price	Selling Price	Cost of Asset
----- Series of Transactions -----				
Banker's Trust Company	Sale of 360,448 shares of the Prudential Jennison Balanced Account	\$ --	\$ 792,884	\$ 716,827
Banker's Trust Company	Purchase of 648,265 Rayonier Inc. Common Shares	\$ 23,513,318	\$ --	\$23,513,318
Banker's Trust Company	Sale of 53,446 shares of Rayonier Inc. Common Shares	\$ --	\$ 2,037,574	\$ 1,864,231
Banker's Trust Company	Sale of 208,020 shares of ITT Hartford Group common stock	\$ --	\$10,315,367	\$ 7,118,321
Banker's Trust Company	Sale of 208,020 shares of ITT Industries, Inc. common stock	\$ --	\$ 5,481,372	\$ 3,531,570
Banker's Trust Company	Sale of 208,020 shares of ITT Corporation common stock	\$ --	\$12,093,671	\$ 7,798,883

(a)	(b)	(h)	(i)
Identity of Party	Description of Transaction	Current Value of Asset on Transaction Date	Net Gain (Loss)
----- Series of Transactions -----			
Banker's Trust Company	Sale of 360,448 shares of the Prudential Jennison Balanced Account	\$ 792,884	\$ 76,057
Banker's Trust Company	Purchase of 648,265 Rayonier Inc. Common Shares	\$23,513,318	\$ --
Banker's Trust Company	Sale of 53,446 shares of Rayonier Inc. Common Shares	\$ 2,037,574	\$ 173,343
Banker's Trust Company	Sale of 208,020 shares of ITT Hartford Group common stock	\$10,315,367	\$ 3,197,046
Banker's Trust Company	Sale of 208,020 shares of ITT Industries, Inc. common stock	\$ 5,481,372	\$ 1,949,802
Banker's Trust Company	Sale of 208,020 shares of ITT Corporation common stock	\$12,093,671	\$ 4,294,788

SCHEDULE II
(Continued)

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
ITEM 27(d) SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1996
PLAN NUMBER 100
EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b)	(c)	(d)	(g)
Identity of Party	Description of Transaction	Purchase Price	Selling Price	Cost of Asset
----- Single Transactions -----				
Banker's Trust Company	Purchase of 8,803,099 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ 8,803,099 =====	\$ -- =====	\$ 8,803,099 =====
Banker's Trust Company	Purchase of 3,305,602 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ 3,305,602 =====	\$ -- =====	\$ 3,305,602 =====
Banker's Trust Company	Sale of 10,466,405 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ -- =====	\$10,466,405 =====	\$10,466,405 =====
Banker's Trust Company	Purchase of 10,077,669 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ 10,077,669 =====	\$ -- =====	\$10,077,669 =====
Banker's Trust Company	Sale of 4,132,003 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ -- =====	\$ 4,132,003 =====	\$ 4,132,003 =====
Banker's Trust Company	Sale of 62,526 shares of ITT Corporation common stock	\$ -- =====	\$ 3,649,955 =====	\$ 2,344,164 =====

(a)	(b)	(h)	(i)
Identity of Party	Description of Transaction	Current Value of Asset on Transaction Date	Net Gain (Loss)
----- Single Transactions -----			
Banker's Trust Company	Purchase of 8,803,099 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ 8,803,099 =====	\$ -- =====
Banker's Trust Company	Purchase of 3,305,602 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ 3,305,602 =====	\$ -- =====
Banker's Trust Company	Sale of 10,466,405 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$10,466,405 =====	\$ -- =====
Banker's Trust Company	Purchase of 10,077,669 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$10,077,669 =====	\$ -- =====
Banker's Trust Company	Sale of 4,132,003 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ 4,132,003 =====	\$ -- =====
Banker's Trust Company	Sale of 62,526 shares of ITT Corporation common stock	\$ 3,649,955 =====	\$ 1,305,791 =====

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 11-K, into Rayonier Inc.'s previously filed Registration Statement on Form S-8 (File No. 33-65291).

ARTHUR ANDERSEN LLP

Stamford, Connecticut
June 27, 1997

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Retirement Income Plan Committee for the Employees Retirement Income Plans for Rayonier Inc. has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Rayonier Investment and Savings Plan for Salaried Employees
(Name of Plan)

By: Rayonier Inc. Plan Administrator

Date June 23, 1997

By JOHN P. O'GRADY

John P. O'Grady
Senior Vice President, Administration