

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, 1997

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, 1997 AND 1996

RAYONIER INVESTMENT AND SAVINGS
PLAN FOR SALARIED EMPLOYEES

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DECEMBER 31, 1997 AND 1996

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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, 1997 and 1996, and the related statement of changes in net assets available for benefits with fund information for the year ended December 31, 1997. 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, 1997 and 1996, and the changes in net assets available for benefits with fund information for the year ended December 31, 1997 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 29, 1998

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION
AS OF DECEMBER 31, 1997

	FUND A	FUND B	FUND C	FUND D	LOAN FUND	TOTAL
	-----	-----	-----	-----	-----	-----
ASSETS						
Receivables:						
Accrued income	\$ 725	\$ 97	\$ 80,511	\$ 30	\$ --	\$ 81,363
Employer contributions	58,000	--	1,000	--	--	59,000
Member contributions	28,895	103,294	27,803	18,392	--	178,384
	-----	-----	-----	-----	-----	-----
Total receivables	87,620	103,391	109,314	18,422	--	318,747
Investments, at fair value (Note 2):						
Banker's Trust Pyramid Discretionary Cash Fund	336,244	26,715	--	4,966	22,477	390,402
Banker's Trust Pyramid Equity Index Fund	--	20,107,475	--	--	--	20,107,475
Banker's Trust Pyramid Open End GIC Fund	--	--	15,728,099	--	--	15,728,099
Prudential Jennison Balanced Account	--	--	--	5,997,494	--	5,997,494
Rayonier Inc. Common Shares	36,147,607	--	--	--	--	36,147,607
Member loans receivable	--	--	--	--	1,546,553	1,546,553
	-----	-----	-----	-----	-----	-----
Total investments	36,483,851	20,134,190	15,728,099	6,002,460	1,569,030	79,917,630
	-----	-----	-----	-----	-----	-----
Total assets	36,571,471	20,237,581	15,837,413	6,020,882	1,569,030	80,236,377
LIABILITIES						
Accounts payable	16,315	34,864	6,632	2,501	22,477	82,789
	-----	-----	-----	-----	-----	-----
Total liabilities	16,315	34,864	6,632	2,501	22,477	82,789
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$36,555,156	\$20,202,717	\$15,830,781	\$ 6,018,381	\$ 1,546,553	\$80,153,588
	=====	=====	=====	=====	=====	=====

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, 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 CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1997

	FUND A	FUND B	FUND C	FUND D	LOAN FUND	TOTAL
	-----	-----	-----	-----	-----	-----
ADDITIONS						
Additions to net assets attributed to:						
Investment Income:						
Net appreciation in fair value of investments	\$ 3,668,157	\$ 5,284,975	\$ --	\$ 908,531	\$ --	\$ 9,861,663
Dividends	1,044,546	--	--	--	--	1,044,546
Interest	9,668	1,269	1,022,950	687	101,954	1,136,528
	-----	-----	-----	-----	-----	-----
Contributions:	4,722,371	5,286,244	1,022,950	909,218	101,954	12,042,737
Employer's	1,499,673	--	21,038	--	--	1,520,711
Members'	993,125	1,657,476	817,307	457,752	--	3,925,660
	-----	-----	-----	-----	-----	-----
	2,492,798	1,657,476	838,345	457,752	--	5,446,371
	-----	-----	-----	-----	-----	-----
Total additions	7,215,169	6,943,720	1,861,295	1,366,970	101,954	17,489,108
	-----	-----	-----	-----	-----	-----
DEDUCTIONS						
Deductions from net assets attributed to:						
Distributions to members	5,249,574	3,378,614	4,489,725	590,401	--	13,708,314
Administrative expenses	99,406	49,078	46,658	14,865	--	210,007
	-----	-----	-----	-----	-----	-----
Total deductions	5,348,980	3,427,692	4,536,383	605,266	--	13,918,321
	-----	-----	-----	-----	-----	-----
Net increase (decrease) prior to interfund transfers	1,866,189	3,516,028	(2,675,088)	761,704	101,954	3,570,787
Interfund transfers	(995,282)	573,980	(75,135)	631,971	(135,534)	--
	-----	-----	-----	-----	-----	-----
Net increase / (decrease)	870,907	4,090,008	(2,750,223)	1,393,675	(33,580)	3,570,787
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS:						
Beginning of period	35,684,249	16,112,709	18,581,004	4,624,706	1,580,133	76,582,801
	-----	-----	-----	-----	-----	-----
End of period	\$ 36,555,156	\$ 20,202,717	\$ 15,830,781	\$ 6,018,381	\$ 1,546,553	\$ 80,153,588
	=====	=====	=====	=====	=====	=====

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 eligible 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 one-half of one percent of each Member's Salary to the Members Retirement Account. The Company makes a matching contribution of 60 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 during 1997 and 1996.

(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

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 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 managed by Prudential Investments. Effective January 2, 1998, the fund balance was transferred to the Banker's Trust Pyramid Balanced Fund.

Upon enrollment in the Plan, a member may direct 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.

(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 fund. 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

11.5 percent to 7.0 percent at both December 31, 1997 and 1996. 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 1997, employer contributions were reduced by \$66,303 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 reporting period. Actual results could differ from those estimates.

(c) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Investment in Rayonier Inc. Common Shares is based upon the quoted market price. 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, 1997 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 are filed directly with the Department of Labor under the EIN # 13-6043638. The statement of net assets as of December 31, 1997 for the Prudential Jennison Balanced Account are filed as an attachment to the Plan's December 31, 1997 Form 5500.

Purchases and sales of securities are recorded on a trade-date basis. The cost of securities sold is determined on the 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 \$60,766 in 1997. 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,	
	1997	1996
Net assets available for plan benefits per the financial statements	\$ 80,153,588	\$ 76,582,801
Amounts allocated to withdrawing members	(58,968)	(1,515,452)
Net assets available for plan benefits per Form 5500	\$ 80,094,620	\$ 75,067,349

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

	Year Ended December 31, 1997
Benefits paid to members per the financial statements	13,708,314
Add: Amounts allocated to withdrawing members - current year	58,968
Less: Amounts allocated to withdrawing members - prior year	(1,515,452)
Benefits paid to members per Form 5500	12,251,830

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, 1997
 PLAN NUMBER 100
 EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b) (c)	(d)	(e)	
Units / Shares	Description	Cost	Current Value	
-----	-----	-----	-----	
*	390,402	Banker's Trust Pyramid Discretionary Cash Fund	\$ 390,402	\$ 390,402
*	8,860	Banker's Trust Pyramid Equity Index Fund	11,851,746	20,107,475
*	15,728,099	Banker's Trust Pyramid Open End GIC Fund	15,728,099	15,728,099
	2,129,216	Prudential Jennison Balanced Account	4,573,330	5,997,494
*	849,273	Rayonier Inc. Common Shares	29,990,593	36,147,607
**	1,546,553	Member loans receivable	-	1,546,553
		-----	-----	-----
		\$62,534,170	\$79,917,630	\$79,917,630
		=====	=====	=====

* Denotes Party-In-Interest

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

SCHEDULE II

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
 ITEM 27(d) SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 1997
 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 11,236,595 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$11,236,595 =====	\$ -- =====
Banker's Trust Company	Sale of 11,403,445 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ -- =====	\$11,403,445 =====
Banker's Trust Company	Purchase of 1,004 shares of the Banker's Trust Pyramid Equity Index Fund	\$ 1,963,115 =====	\$ -- =====
Banker's Trust Company	Sale of 1,586 shares of the Banker's Trust Pyramid Equity Index Fund	\$ -- =====	\$ 3,189,830 =====
Banker's Trust Company	Purchase of 2,834,757 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ 2,834,757 =====	\$ -- =====
Banker's Trust Company	Sale of 5,547,213 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ -- =====	\$ 5,547,213 =====
Banker's Trust Company	Purchase of 466,066 shares of the Prudential Jennison Balanced Account	\$ 1,159,423 =====	\$ -- =====

(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 11,236,595 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$11,236,595 =====	\$11,236,595 =====	\$ -- =====
Banker's Trust Company	Sale of 11,403,445 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$11,403,445 =====	\$11,403,445 =====	\$ -- =====
Banker's Trust Company	Purchase of 1,004 shares of the Banker's Trust Pyramid Equity Index Fund	\$ 1,963,115 =====	\$ 1,963,115 =====	\$ -- =====
Banker's Trust Company	Sale of 1,586 shares of the Banker's Trust Pyramid Equity Index Fund	\$ 2,076,656 =====	\$ 3,189,830 =====	\$ 1,113,174 =====
Banker's Trust Company	Purchase of 2,834,757 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ 2,834,757 =====	\$ 2,834,757 =====	\$ -- =====
Banker's Trust Company	Sale of 5,547,213 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ 5,547,213 =====	\$ 5,547,213 =====	\$ -- =====
Banker's Trust Company	Purchase of 466,066 shares of the Prudential Jennison Balanced Account	\$ 1,159,423 =====	\$ 1,159,423 =====	\$ -- =====

SCHEDULE II
(Continued)RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
ITEM 27(d) SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1997
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	Sale of 259,756 shares of the Prudential Jennison Balanced Account	\$ --	\$ 672,991
Banker's Trust Company	Purchase of 36,669 Rayonier Inc. Common Shares	\$1,572,529	\$ --
Banker's Trust Company	Sale of 99,599 shares of Rayonier Inc. Common Shares	\$ --	\$4,098,869

(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	Sale of 259,756 shares of the Prudential Jennison Balanced Account	\$ 552,402	\$ 672,991	\$ 120,589
Banker's Trust Company	Purchase of 36,669 Rayonier Inc. Common Shares	\$1,572,529	\$1,572,529	\$ --
Banker's Trust Company	Sale of 99,599 shares of Rayonier Inc. Common Shares	\$3,494,290	\$4,098,869	\$ 604,579

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 29, 1998

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 29, 1998

By JOHN P. O'GRADY

John P. O'Grady
Senior Vice President, Administration