

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 4

OMB APPROVAL

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

[] Check this box if no longer Subject to Section 16.

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 1940

OMB Number 3235-0287
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| | | | | | | |
|--|---------|------------|---|--|---|--|
| 1. Name and Address of Reporting Person* | | | 2. Issuer Name and Ticker or Trading Symbol | | 6. Relationship of Reporting Person to Issuer (Check all Applicable) | |
| O'Grady | John | P. | Rayonier of Reporting Person Year | | ---(give title below) ---(Specify below) Director 10% Owner | |
| (Last) | (First) | (MI) | 3. IRS or Soc. Sec. No. of Reporting Person (Voluntary) | | X Officer Other ---(give title below) ---(Specify below) | |
| 1177 Summer Street | | | 4. Statement for Month/Year January 1999 | | Senior Vice President | |
| (Street) | | | 5. If Amendment, Date of Original (Month/Year) | | 7. Individual or Joint/Group Filing (Check Applicable Line) | |
| Stamford | CT | 06905-5529 | | | X Form filed by One Reporting Person --- Form filed by More than One Reporting Person | |
| (City) | (State) | (Zip) | | | | |

TABLE I - Non-Derivative Securities Acquired, Disposed of or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Mon/Day/Yr) | 3. Trans. Code (Instr. 8) | 4. Security Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5) | | | 5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 & 4) | 6. Own. Form (D) or (I) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|----------------------------------|---------------------------|---|---------|---------------|---|-------------------------|---|
| | | | Amount | (A) (D) | Price | | | |
| Common Shares | 01/13/1999 | M (01) | 3786 | A | \$.0000 (01) | | | |
| Common Shares | 01/13/1999 | F | 1796 | D | \$46.0103 | 15939.7136 | D | |
| Common Shares | | | | | \$.0000 | 3243 | I (02) In Trust | |

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

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FORM 4 (continued)

TABLE II - Derivative Securities Acquired, Disposed of, Beneficially Owned (e.g., puts, calls, warrants, options, convertible security)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Mon/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 & 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 & 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4) | 10. Own. Form (D) or (I) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|------------------------------------|--------------------------------|--|-------|--|-----------|---|--|--|--------------------------|--|
| | | | | (A) | (D) | Date Exbl. | Exp. Date | | | | | |
| EMPLOYEE S | \$45.5600 | 01/02 | A | V | 12000 | 01/03 | 01/04 | Common Sha | 12000 | 12000 | D | |

| STOCK OPTION | 1999 | | | | | 2000 | 2009 | res | | | | | |
|-------------------|------------|---|---|--|------|------|------|---------------|------|------|------|---|--|
| | | | | | | | | | | | | | |
| Performance Share | 01/13/1999 | M | | | 3000 | | | Common Shares | 3786 | | 0 | D | |
| | (01) | | | | | | | | | (01) | | | |
| Performance Share | 01/02/1999 | A | V | | 5000 | | | Common Shares | 5000 | | 5000 | D | |
| | (04) | | | | | | | | | (04) | | | |

Explanation of Responses:

- (01) Performance Shares are paid in Rayonier Inc. Common Shares in an amount ranging from 0 to 150% of the Performance Shares awarded based upon Rayonier Inc.'s total shareholder return performance during the period from January 2, 1996 to January 1, 1999 as compared with the performance of a peer group of companies. Actual TSR performance translates into an award payment in January 1999 of 126.2% of Performance Shares Awarded.
- (02) Shares held in trust are held in the Rayonier Investment & Savings Plan for this person's account.
- (03) Vests in one-third installments annually commencing January 3, 2000.
- (04) Performance Shares are paid in Rayonier Inc. Common Shares in an amount ranging from 0 to 150% of the Performance Shares awarded based upon Rayonier Inc.'s total shareholder return performance during the period from January 2, 1999 to December 31, 2001.

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

/s/John B. Canning, Attorney-in-Fact 02/08/1999

**Signature of Reporting Person 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.

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Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMD Number

O'Grady, John P.

Rayonier

