

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED].

For the fiscal year ended December 31, 1995

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, 1995 AND 1994

RAYONIER INVESTMENT AND SAVINGS
PLAN FOR SALARIED EMPLOYEES

INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 1995 AND 1994

	PAGE

Report of Independent Public Accountants	1
Statement of Net Assets Available for Benefits with Fund Information as of December 31, 1995	2
Statement of Net Assets Available for Benefits with Fund Information as of December 31, 1994	3
Statement of Changes in Net Assets Available for Benefits with Fund Information for the Year Ended December 31, 1995	4
Statement of Changes in Net Assets Available for Benefits with Fund Information for the Period from Inception (March 1, 1994) to December 31, 1994	5
Notes to Financial Statements	6-11
Schedule I Item 27 (a) Schedule of Assets Held for Investment Purposes as of December 31, 1995	12
Schedule II Item 27(d) Schedule of Reportable Transactions for the Year Ended December 31, 1995	13-14

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 of the Rayonier Investment and Savings Plan for Salaried Employees as of December 31, 1995 and 1994, and the related statements of changes in net assets available for benefits for the years ended December 31, 1995 and 1994. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements 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 of the Plan as of December 31, 1995 and 1994, and the changes in net assets available for benefits for the years ended December 31, 1995 and 1994 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, the Schedule of Assets held for Investment Purposes and the Schedule of 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 and statement of changes in net assets available for benefits are 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 7, 1996

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 3):							
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 NET ASSETS AVAILABLE FOR BENEFITS WITH FUND INFORMATION
AS OF DECEMBER 31, 1994

	FUND A	FUND B	FUND C	FUND D	FUND I	LOAN FUND	TOTAL
ASSETS							
Receivables:							
Accrued income	\$ 1,309	\$ 10	\$ 76,796	\$ 8	\$ 531,886	\$ --	\$ 610,009
Employer contributions	36,287	--	438	--	(1,845)	--	34,880
Member contributions	18,141	19,251	36,416	6,460	--	--	80,268
Total receivables	55,737	19,261	113,650	6,468	530,041	--	725,157
Investments, at fair value (Note 3):							
Banker's Trust Pyramid Discretionary Cash Fund	108,610	--	--	1,020	19,025	--	128,655
Banker's Trust Pyramid Equity Index Fund	--	5,456,260	--	--	--	--	5,456,260
Banker's Trust Pyramid Open End GIC Fund	--	--	15,740,356	--	--	--	15,740,356
Prudential Jennison Balanced Account	--	--	--	1,061,446	--	--	1,061,446
Rayonier Inc. Common Shares	4,903,912	--	--	--	--	--	4,903,912
ITT Corporation common stock	--	--	--	--	22,160,504	--	22,160,504
Member loans receivable	--	--	--	--	--	1,402,441	1,402,441
Total investments	5,012,522	5,456,260	15,740,356	1,062,466	22,179,529	1,402,441	50,853,574
Total assets	5,068,259	5,475,521	15,854,006	1,068,934	22,709,570	1,402,441	51,578,731
LIABILITIES							
Accounts payable	57,911	--	--	--	--	--	57,911
Total liabilities	57,911	--	--	--	--	--	57,911
NET ASSETS AVAILABLE FOR BENEFITS	\$5,010,348	\$5,475,521	\$15,854,006	\$1,068,934	\$ 22,709,570	\$ 1,402,441	\$51,520,820

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, 1995

	FUND A -----	FUND B -----	FUND C -----	FUND D -----	FUND I -----	LOAN FUND ----	TOTAL -----
ADDITIONS							
Additions to net assets attributed to:							
Investment Income:							
Net appreciation in fair value of investments	\$ 337,396	\$2,204,115	\$ --	\$ 294,662	\$ 8,532,997	\$ --	\$11,369,170
Dividends	257,184	--	--	--	235,452	--	492,636
Interest	20,089	205	967,766	388	16,251	92,629	1,097,328
	-----	-----	-----	-----	-----	-----	-----
	614,669	2,204,320	967,766	295,050	8,784,700	92,629	12,959,134
Contributions:							
Employer's	1,403,014	--	24,418	--	(5,562)	--	1,421,870
Members'	951,382	961,818	1,267,738	243,573	--	--	3,424,511
	-----	-----	-----	-----	-----	-----	-----
	2,354,396	961,818	1,292,156	243,573	(5,562)	--	4,846,381
	-----	-----	-----	-----	-----	-----	-----
Total additions	2,969,065	3,166,138	2,259,922	538,623	8,779,138	92,629	17,805,515
	-----	-----	-----	-----	-----	-----	-----
DEDUCTIONS							
Deductions from net assets attributed to:							
Distributions to members	562,975	681,598	1,029,716	101,614	1,076,563	--	3,452,466
Administrative expenses	21,516	17,286	43,828	3,282	65,540	--	151,452
	-----	-----	-----	-----	-----	-----	-----
Total deductions	584,491	698,884	1,073,544	104,896	1,142,103	--	3,603,918
	-----	-----	-----	-----	-----	-----	-----
Net increase prior to interfund transfers	2,384,574	2,467,254	1,186,378	433,727	7,637,035	92,629	14,201,597
Interfund transfers	3,565,263	366,019	(110,738)	225,248	(4,082,127)	36,335	--
	-----	-----	-----	-----	-----	-----	-----
Net increase	5,949,837	2,833,273	1,075,640	658,975	3,554,908	128,964	14,201,597
NET ASSETS AVAILABLE FOR BENEFITS:							
Beginning of period	5,010,348	5,475,521	15,854,006	1,068,934	22,709,570	1,402,441	51,520,820
	-----	-----	-----	-----	-----	-----	-----
End of period	\$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 PERIOD FROM INCEPTION (MARCH 1, 1994) TO DECEMBER 31, 1994

	FUND A -----	FUND B -----	FUND C -----	FUND D -----	FUND I -----	LOAN FUND -----	TOTAL -----
ADDITIONS							
Transfer of member balances from ITT Investment and Savings Plan for Salaried Employees	\$ 1,788,665	\$ 5,173,455	\$ 15,794,458	\$ 631,623	\$ 25,331,149	\$1,100,133	\$ 49,819,483
Investment Income:							
Net appreciation (depreciation) in fair value of investments	(7,972)	28,435	--	7,211	(187,727)	--	(160,053)
Dividends	51,567	--	--	--	374,757	--	426,324
Interest	9,902	291	694,858	2,132	882	62,004	770,069
	-----	-----	-----	-----	-----	-----	-----
	53,497	28,726	694,858	9,343	187,912	62,004	1,036,340
Contributions:							
Employer's	1,069,810	--	438	--	(20,594)	--	1,049,654
Members'	569,059	672,490	1,056,531	198,746	--	--	2,496,826
	-----	-----	-----	-----	-----	-----	-----
	1,638,869	672,490	1,056,969	198,746	(20,594)	--	3,546,480
	-----	-----	-----	-----	-----	-----	-----
Total additions	3,481,031	5,874,671	17,546,285	839,712	25,498,467	1,162,137	54,402,303
	-----	-----	-----	-----	-----	-----	-----
DEDUCTIONS							
Deductions from net assets attributed to:							
Distributions to members	339,834	387,214	801,248	49,923	1,229,478	--	2,807,697
Administrative expenses	3,907	7,195	23,226	1,272	33,958	4,228	73,786
	-----	-----	-----	-----	-----	-----	-----
Total deductions	343,741	394,409	824,474	51,195	1,263,436	4,228	2,881,483
	-----	-----	-----	-----	-----	-----	-----
Net increase prior to interfund transfers	3,137,290	5,480,262	16,721,811	788,517	24,235,031	1,157,909	51,520,820
Interfund transfers	1,873,058	(4,741)	(867,805)	280,417	(1,525,461)	244,532	--
	-----	-----	-----	-----	-----	-----	-----
Net increase	5,010,348	5,475,521	15,854,006	1,068,934	22,709,570	1,402,441	51,520,820
	-----	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS:							
Beginning of period	--	--	--	--	--	--	--
	-----	-----	-----	-----	-----	-----	-----
End of period	\$ 5,010,348	\$ 5,475,521	\$ 15,854,006	\$ 1,068,934	\$ 22,709,570	\$1,402,441	\$ 51,520,820
	=====	=====	=====	=====	=====	=====	=====

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. PLAN ESTABLISHMENT

On February 28, 1994, ITT Industries Inc. (ITT), formerly known as ITT Corporation, Rayonier Inc.'s sole shareholder, distributed as a special dividend all of the Common Shares of Rayonier to the holders of ITT Common Stock and Series N Preferred Stock (the Spin-off). In connection with the Spin-off, Rayonier Inc. (the Company) established The Rayonier Investment and Savings Plan for Salaried Employees (the Plan) effective March 1, 1994. The Plan is a defined contribution plan covering substantially all salaried employees of the Company. The Plan is designed to replace the plan benefits provided to Rayonier's salaried employees prior to the Spin-off under the ITT Investment and Savings Plan for Salaried Employees (the Previous Plan). Upon the establishment of the Plan, member balances invested in the Previous Plan were transferred to the Plan.

2. DESCRIPTION OF THE PLAN

The following brief description of 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 the Company upon the first enrollment date following the employee's date of hire. Effective May 1, 1995, the Plan was amended to allow for enrollment on a monthly rather than semi-annual basis. 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. Members contributions were limited by the Internal Revenue Service to \$9,240 per

year per member during 1995 and 1994. Also effective as of July 1, 1995, the Plan was amended to permit rollovers from other qualified plans into the Plan. Effective March 1, 1994, a three month suspension of Matching Company Contributions applies to any member who makes a withdrawal of Before Tax Contributions.

(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 is 100 percent vested 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 Common Shares.

FUND B

Funds are invested in a comingled 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 comingled 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 comingled 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.

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.

The investment in Fund I represents member accounts formerly invested in ITT Corporation common stock under the Previous Plan that were transferred to the Plan upon the Spin-off. On December 19, 1995, ITT was restructured into three separate corporations and the Plan exchanged the common stock of ITT Corporation for the common stock of the new ITT Corporation, ITT Industries Inc. and ITT Hartford Group. Members were allowed to transfer their contribution account balances invested in Fund I to any of the other four investment funds. Company contribution account balances invested in Fund I could only be transferred to Fund A. Since the Spin-off, no contributions under the Plan were invested in Fund I and members could not transfer account balances from the other investment funds into Fund I.

Effective as of December 1, 1995, the Plan was amended to require the termination of Fund I on or before March 31, 1996, and for the redistribution of amounts held 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 to (from) the investment fund from (to) 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 7.0 percent to 11.5 percent at both December 31, 1995 and 1994. 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 over a period not to exceed twenty years.

(h) Forfeited Accounts

At December 31, 1995, forfeited nonvested accounts totaled \$16,620. These accounts will be used to reduce future employer contributions. Also, in 1995, employer contributions were reduced by \$7,279 from forfeited nonvested accounts.

3. 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. 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 revenues and expenses during the reported period. Actual results could differ from those estimates.

(b) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Investments in Rayonier 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, 1995 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, 1995 for the Prudential Jennison Balanced Account has been filed as an attachment to the Plan's December 31, 1995 Form 5500.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(c) Payment of Benefits

Benefits are recorded when paid.

4. RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of commingled investment funds managed by Bankers Trust Company (BT). BT is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest. Fees paid by the Plan to BT for investment management services amounted to \$45,383 and \$22,475 in 1995 and 1994, respectively.

5. 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.

6. 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,	
	1995	1994
	----	----
Net assets available for plan benefits per the financial statements	\$ 65,722,417	\$ 51,520,820
Amounts allocated to withdrawing members	(71,403)	(335,950)
	-----	-----
Net assets available for plan benefits per Form 5500	\$ 65,651,014	\$ 51,184,870
	=====	=====

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

	Year Ended December 31, 1995 -----	Period From Inception (March 1, 1994) to December 31, 1994 -----
Benefits paid to members per the financial statements	\$ 3,452,466	\$ 2,807,697
Add: Amounts allocated to withdrawing members - current year	71,403	335,950
Less: Amounts allocated to withdrawing members - prior year	(335,950)	--
	-----	-----
Benefits paid to members per Form 5500	\$ 3,187,919 =====	\$3,143,647 =====

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.

7. 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.

8. ADMINISTRATIVE EXPENSES

An annual charge to the Plan of up to .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.

SCHEDULE I

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
 ITEM 27 (A) SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
 AS OF DECEMBER 31, 1995
 PLAN NUMBER 100
 EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b) (c)	(d)	(e)
Units -----	Description -----	Cost -----	Current Value -----
* 545,897	Banker's Trust Pyramid Discretionary Cash Fund	\$ 545,897	\$ 545,897
* 5,996	Banker's Trust Pyramid Equity Index Fund	6,184,925	8,280,500
* 16,728,557	Banker's Trust Pyramid Open End GIC Fund	16,728,557	16,728,557
809,555	Prudential Jennison Balanced Account	1,427,738	1,716,862
317,384	Rayonier Inc. Common Shares	10,263,267	10,592,691
208,020	ITT Hartford Group common stock	7,118,321	10,062,968
208,020	ITT Industries Inc. common stock	3,531,570	4,992,480
208,020	ITT Corporation common stock	7,798,883	11,025,060
1,531,405	Member loans receivable	-	1,531,405
		-----	-----
		\$ 53,599,158	\$ 65,476,420
		=====	=====

* Denotes Party-In-Interest

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
 ITEM 27 (D) SCHEDULE OF REPORTABLE TRANSACTIONS
 FOR THE YEAR ENDED DECEMBER 31, 1995
 PLAN NUMBER 100
 EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party-In Interest -----	Description of Transaction -----	Purchase Price -----	Selling Price -----	Cost of Asset -----	Current Value of Asset on Transaction Date -----	Net Gain (Loss) -----
Banker's Trust Company	Purchase of 12,741,244 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$12,741,244 =====	\$ - =====	\$12,741,244 =====	\$12,741,244 =====	\$ - =====
Banker's Trust Company	Sale of 12,324,001 shares of the Banker's Trust Pyramid Discretionary Cash Fund	\$ - =====	\$12,324,001 =====	\$12,324,001 =====	\$12,324,001 =====	\$ - =====
Banker's Trust Company	Purchase of 1,124 shares of the Banker's Trust Pyramid Equity Index Fund	\$ 1,351,465 =====	\$ - =====	\$ 1,351,465 =====	\$ 1,351,465 =====	\$ - =====
Banker's Trust Company	Sale of 571 shares of the Banker's Trust Pyramid Equity Index Fund	\$ - =====	\$ 731,340 =====	\$ 581,684 =====	\$ 731,340 =====	\$149,656 =====
Banker's Trust Company	Purchase of 3,033,323 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ 3,033,323 =====	\$ - =====	\$ 3,033,323 =====	\$ 3,033,323 =====	\$ - =====
Banker's Trust Company	Sale of 2,045,121 shares of the Banker's Trust Pyramid Open End GIC Fund	\$ - =====	\$ 2,045,121 =====	\$ 2,045,121 =====	\$ 2,045,121 =====	\$ - =====
Banker's Trust Company	Purchase of 252,484 shares of the Prudential Jennison Balanced Account	\$ 499,339 =====	\$ - =====	\$ 499,339 =====	\$ 499,339 =====	\$ - =====

SCHEDULE II
(Continued)

RAYONIER INVESTMENT AND SAVINGS PLAN FOR SALARIED EMPLOYEES
ITEM 27 (D) SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1995
PLAN NUMBER 100
EMPLOYER IDENTIFICATION NUMBER 13-2607329

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party-In Interest -----	Description of Transaction -----	Purchase Price -----	Selling Price -----	Cost of Asset -----	Current Value of Asset on Transaction Date -----	Net Gain (Loss) -----
Banker's Trust Company	Sale of 75,827 shares of the Prudential Jennison Balanced Account	\$ - =====	\$ 138,585 =====	\$ 128,273 =====	\$ 138,585 =====	\$ 10,312 =====
Banker's Trust Company	Purchase of 156,600 Rayonier Inc. Common Shares	\$5,351,384 =====	\$ - =====	\$ 5,351,384 =====	\$ 5,351,384 =====	\$ - =====
Banker's Trust Company	Sale of 42,028 shares of ITT Corporation common stock	\$ - =====	\$4,612,994 =====	\$ 3,727,358 =====	\$ 4,612,994 =====	\$ 885,636 =====
Banker's Trust Company	Exchange of 208,020 shares of ITT Corporation common stock for 208,020 shares of ITT Industries Inc. common stock, 208,020 shares of ITT Hartford Group common stock, and 208,020 shares of new ITT Corporation common stock	\$ - =====	\$ - =====	\$18,448,774 =====	\$26,080,508 =====	\$7,631,734 =====

SIGNATURE

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)

Date June 26, 1996

By JOHN P. O'GRADY

John P. O'Grady
Senior Vice President, Administration

EXHIBIT INDEX

Exhibit No.	Description
23	Consent of Independent Public Accountants

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 26, 1996