UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT -- OCTOBER 9, 1996

COMMISSION FILE NUMBER 1-6780

RAYONIER INC.

Incorporated in the State of North Carolina
I.R.S. Employer Identification Number l3-2607329

l177 Summer Street, Stamford, Connecticut 06905-5529
(Principal Executive Office)

Telephone Number: (203) 348-7000

RAYONIER INC.

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ITEM 5. OTHER EVENTS

The company understands that the American Institute of Certified Public Accountants will shortly issue a Statement of Position (SOP), which becomes part of generally accepted accounting principles, for environmental remediation liabilities that more specifically identifies future, long term monitoring and administration expenditures as remediation liabilities that need to be accrued on the balance sheet as an existing obligation.

Although the company had accrued its best estimate of clean-up and closure remediation liabilities associated with its discontinued Southern Wood Piedmont wood treating business (discontinued in 1986), it has been treating the 25-30 year long term monitoring expenditures as a current expense in its income statement. Conformance with the SOP is expected to be mandatory in 1997. Based on analyzing the requirements as outlined in the latest exposure draft, the company expects that it will elect early adoption of the Statement of Position in 1996, and will take a pretax charge of approximately $130-160 million (after-tax, $80-100 million) in the fourth quarter. The company has been advised that the final pronouncement will not materially differ from the earlier draft version.

The pretax cash expenditures for monitoring and administration activities have been approximately $4 million per year and are expected to continue on an annual basis, plus inflation, for approximately 25-30 years as mandated by state and federal regulations. The company's annual cash flow will not be impacted by the adoption of the accounting pronouncement. The company indicated that the effect of the charge on its debt to capital ratio (which as of June 30 was 37.0%) would be approximately 3.2 percentage points but believes that its debt ratings and borrowing costs should not be affected as its interest and cash flow coverages remain the same.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) See Exhibit Index

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of l934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

RAYONIER INC. (Registrant)

BY KENNETH P. JANETTE

Kenneth P. Janette
Vice President and
Corporate Controller

October 9, 1996

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	LOCATION
99	Press Release issued October 9, 1996	Filed herewith

EXHIBIT 99

NEWS RELEASE
FOR RELEASE AT 4:15 P.M.
WEDNESDAY, OCTOBER 9, 1996

For further information
Media Contact: Martin H. Arnold
203-964-4621
Investor Contact: John A. Doumlele
203-964-4486

RAYONIER ANNOUNCES EARNINGS CHARGE RELATED TO ACCOUNTING PRONOUNCEMENT

STAMFORD, CONNECTICUT, October 9, 1996 -- Rayonier Inc. (NYSE:RYN) announced in a Form 8-K filing with the SEC today that it expects to take a fourth quarter earnings charge relating to a Statement of Position (SOP) by the American Institute of Certified Public Accountants, to be released shortly, which will prescribe generally accepted accounting principles for environmental remediation liabilities. The SOP more specifically defines the accounting treatment for both remediation and monitoring costs. Although adoption is not mandatory until 1997, the company indicated that it will adopt the Statement of Position in 1996. This will result in a fourth quarter pretax charge between $130-$160 million (after-tax, $80-100 million) related to long term, future environmental monitoring activities associated with its Southern Wood Piedmont wood treating business that was discontinued in 1986.

"Rayonier had already accrued its best estimate of clean-up remediation and closure liabilities after discontinuing this operation, which included closing eleven sites," said Gerald J. Pollack, senior vice president and chief financial officer. "However, the monitoring and administration costs, running approximately $4 million pretax per year, have been considered an ongoing obligation and expensed each year. The soon to-be-released SOP now directly includes monitoring costs in the liabilities that must be accrued on the balance sheet and the company will conform to this new requirement.

"This is strictly a book treatment and the company's cash flow will not change as a result of this pronouncement as the expenditures were already being incurred and will continue to be incurred, plus inflation, at approximately the same rate over the next 25-30 years resulting in the total obligation as reflected in the pretax charge," Pollack said.

The company said it believes that the accounting pronouncement will allow for the obligation to either be recorded at nominal amounts or be discounted to present value. Ron Gross, chairman and chief executive officer, said that "although the undiscounted liability is large in relation to the annual expenditures due to the extended time frame involved, we are electing to book the nominal, gross amount in order to get the remaining obligations for Southern Wood Piedmont behind us and to eliminate any impact on future earnings per share." Rayonier said that ongoing monitoring expenditures for Southern Wood Piedmont in 1996 would approximate 8 cents per share.

"Booking the nominal amount will raise our projected leverage by approximately 3.2 percentage points which should not affect our debt ratings and borrowing costs as our interest and cash flow coverages remain the same," Pollack said. At June 30, 1996, Rayonier's debt to capital ratio was 37.0 percent.

Rayonier is a global supplier of specialty pulps, timber and wood products. The company has 1.5 million acres of timber in the U.S. and New Zealand. About 60 percent of Rayonier's sales are to international customers in 70 countries. Sales in 1995 were $1.3 billion.

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