SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS EMPLOYEE
STOCK PURCHASE, SAVINGS AND SIMILAR
PLANS PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1997

[ ] TRANSITION REPORT PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ---------------- to -----------------

Commission file number 0-19860

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Scholastic Inc. 401(k) Savings and Retirement Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Scholastic Corporation
555 Broadway
New York, New York 10012

Report of Independent Auditors

The Administrative Committee of the Scholastic Inc. 401(k) Savings and Retirement Plan

We have audited the accompanying statements of net assets available for benefits of the Scholastic Inc. 401(k) Savings and Retirement Plan as of December 31, 1997 and 1996, and the statement of changes in net assets available for benefits for the year ended December 31, 1997, seven months ended December 31, 1996 and year ended May 31, 1996. These financial statements are the responsibility of the Plan's Administrative Committee. 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 at December 31, 1997 and 1996, and the changes in net assets available for benefits for the year ended December 31, 1997, seven months ended December 31, 1996 and year ended May 31, 1996, in conformity with generally accepted accounting principles.

/S/ Ernst & Young LLP

New York, New York
June 15, 1998

SCHOLASTIC INC. 401(k) SAVINGS AND RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997 AND 1996

	1997	1996
Investments, at fair value :		
Fidelity Puritan Fund	$28,597,018	$24,212,829
Fidelity Retirement Money Market Fund	6,759,135	6,871,529
Scholastic Corporation Common Stock	4,806,075	6,601,664
Fidelity Growth Company Fund	8,814,062	6,575,209
Fidelity U.S. Equity Index Fund	8,089,825	4,763,295
Fidelity Intermediate Bond Fund	1,420,354	1,262,784
Total investments	58,486,469	50,287,310
Receivables:		
Employer contribution receivable	633,121	182,611
Participants contribution receivable	243,665	244,702
Loans receivable from participants	635,912	369,004
Total receivables	1,512,698	796,317
Cash	212,408	47,896
Net assets available for benefits	$60,211,575	$51,131,523

See accompanying notes.

SCHOLASTIC INC. 401(k) SAVINGS AND RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year ended December 31, 1997	Seven months ended December 31, 1996	Year ended May 31, 1996
Interest and dividend income	$ 3,812,374	$ 3,160,960	$ 1,774,139
Contributions:			
Employer	2,489,106	1,416,257	2,000,445
Employee	6,404,494	3,419,918	5,383,166
Rollovers	733,380	408,815	1,364,792
	9,626,980	5,244,990	8,748,403
Total additions	13,439,354	8,405,950	10,522,542
Distributions to participants	(6,882,283)	(2,185,086)	(3,425,945)
Net realized and unrealized appreciation in fair value of investments	2,522,981	481,501	3,516,437
Net increase	9,080,052	6,702,365	10,613,034
Net assets available for benefits:			
Beginning of period	51,131,523	44,429,158	33,816,124
End of period	$ 60,211,575	$ 51,131,523	$ 44,429,158

See accompanying notes.

SCHOLASTIC INC. 401(k) SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

1. Plan Description

The following description of the Scholastic Inc. 401(k) Savings and Retirement Plan (the "Plan") provides only general information and is presented to assist in understanding the Plan's financial statements. The financial statements and notes are representations of the Plan's management, which is responsible for their integrity and objectivity. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

The Plan, which is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), is a defined contribution plan covering all full-time employees of Scholastic Inc. (the "Company") and any other business entity approved by the Board of Directors of the Company. Employees who attain the age of 21 or older and complete at least 500 hours of service during any period of six consecutive months beginning with the date the employee was first employed are eligible to participate. The Plan is administered by the Company's Administrative Committee for the Scholastic Inc. 401(k) Savings and Retirement Plan (the "Committee"). During 1996, the Committee changed the Plan's fiscal year end from May 31 to December 31.

Enrollment periods commence on the first day of each month and, at that time, a participant may elect, under Section 401(k) of the Internal Revenue Code (the "Code"), to contribute a percentage, up to a maximum as is then permitted by the Committee (currently 15%, 6% if salary exceeds $80,000), of compensation to the Plan on a pretax basis ("Deferred Compensation Contributions"). Participants may additionally make after-tax contributions based upon a percentage of salary not to exceed 15% (6% if salary exceeds $80,000). The sum of pretax and after-tax contributions may not exceed 15% (6% if salary exceeds $80,000) of the participant's salary. Deferred Compensation Contributions are limited to $9,500 for the calendar year ended December 31, 1997 and 1996 (adjusted annually pursuant to Section 402(g)) for each participant with respect to any calendar year in accordance with the Tax Reform Act of 1986, as amended. The Company permits any employee who is or may become a participant to transfer to the Plan contributions and such other amounts from another retirement plan which meets the requirements of Section 401(a) at the time of the transfer ("Rollover Contributions").

The Company, at its sole discretion, may make matching contributions for the benefit of participants who elect to make pretax contributions, up to 6% of compensation ("Matching Contributions"). The terms of the Plan provide that the Company's Board of Directors shall determine the Matching Contributions for each Plan year. For the year ended December 31, 1997 and seven months ended December 31, 1996, the Company contributed 100% of the first $100 and 50% thereafter to a maximum of 6%. Such Matching Contributions were made in cash.

The Company, at its sole discretion, may also make discretionary contributions for the benefit of all participants regardless of whether they elected to make pretax contributions to the Plan ("Discretionary Contributions"). The amount of such Discretionary Contributions is to be determined by the Board of Directors. No Discretionary Contributions were made for the year ended December 31, 1997 and seven months ended December 31, 1996.

1. Plan Description (Con`t.)

Contributions are invested, based on the percent allocation elected by the participant in one or more of the following options:

FIDELITY PURITAN FUND - This fund is comprised primarily of common stock, short term obligations, corporate bonds and U.S. Government obligations.

FIDELITY RETIREMENT MONEY MARKET FUND - This fund is comprised primarily of commercial paper, certificates of deposit and time deposits.

SCHOLASTIC CORPORATION COMMON STOCK - This fund is comprised of Scholastic Common Stock.

FIDELITY GROWTH COMPANY FUND - This fund is comprised primarily of common stock of companies that show potential for above average growth.

FIDELITY U.S. EQUITY INDEX FUND - This fund is comprised primarily of a wide range of common stocks included in the Standard & Poor's 500 Index.

FIDELITY INTERMEDIATE BOND FUND - This fund is comprised primarily of corporate bonds, U.S. Government securities and commercial paper.

Participants' accounts are credited with the participants' Deferred Compensation Contributions, After-tax Contributions, Qualified Nonelective Contributions, Rollover Contributions, Matching Contributions and an allocation of the Plan's earnings and the forfeitures of terminated participants' nonvested accounts. Allocations of such earnings are in proportion to the ratio that the value of each participant's account as of the valuation date immediately preceding (after reducing such account for any distribution) bears to the total value of the accounts of all participants as of such date. Allocation of such forfeitures takes place on the last day of the Plan year in which the forfeiture occurs, in the proportion that each participant's Deferred Compensation Contributions bears to all participants' Deferred Compensation Contributions. Forfeitures for the year ended December 31, 1997 were $326,411 and for seven months ended December 31, 1996 were $261,504.

Participants are fully vested at all times in their Deferred Compensation Contributions, After-tax Contributions, Qualified Nonelective Contributions, Rollover Contributions and earnings thereon. The Matching and Discretionary Contributions made by the Company and earnings thereon become vested at the rate of 20% for each year of service.

1. Plan Description (Con`t.)

A participant's account can be distributed in full upon termination of employment for any reason, including death, disability or retirement. Once a month, a participant, for any reason, may withdraw all or a portion of their account which is attributable to after-tax contributions. All distributions from the Plan shall be in cash or, if elected by the participant, shall be in whole shares of stock to the extent such participant is invested in stock. The maximum amount which can be withdrawn shall be based on the value of the participant's account as of the valuation date coincident with or following the date on which the appropriate form was filed by the participant with the Committee or such other date as the Committee shall determine. In the event of attainment of the age of 59-1/2, a participant may withdraw his entire vested balance during employment.

In the event of a hardship, participants may withdraw during employment such portion of their accounts which is attributable to Deferred Compensation Contributions, Matching Contributions, Discretionary Contributions and Rollover Contributions as the Committee may determine is necessary to meet such hardship. In addition, once in a Plan year, participants may request a loan from the Plan, (up to 50% of the vested value of their account not to exceed $50,000) which is subject to the approval of the Committee. All loans must be repaid in equal installments of principal and interest through automatic payroll deductions, or in such manner as the Committee shall determine, over a period not to exceed five years, except for certain loans made to purchase a participant's principal residence, which may be repaid over a period of up to ten years pursuant to Section 72(p)(2) of the Code. Participants may not otherwise withdraw any portion of their account during employment.

2. Summary of Significant Accounting Policies

Valuation of Investments

Investments in the Fidelity funds are valued at redemption prices based on the net asset values of the funds. Investments in Scholastic Corporation Common Stock are valued at the closing price as quoted on the NASDAQ National Market on the valuation date. Loans receivable from employees are valued at cost which approximates fair value.

Basis of Presentation

The Plan's accounts are maintained on the accrual basis. Purchases and sales of investment securities are recorded at market value on the trade date.

2. Summary of Significant Accounting Policies (Con't)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Administrative Expenses

The administrative expenses of the Plan are paid by the Company.

3. Tax Status

The Company has received a favorable determination letter from the Internal Revenue Service as of November 1, 1995 that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the Plan's Trust is not subject to tax under Section 501(a) of the IRC. The Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan sponsor is not aware of any course of action or series of events that have occurred that are likely to adversely affect the qualified status of the Plan.

4. Plan Termination

While the Plan is intended to be permanent, it may be terminated at any time by a resolution of the Board of Directors subject to the provisions of ERISA. Upon termination, no further contributions shall be made. However, the Committee, all necessary provisions of the Plan, and the Trust Agreement shall remain in existence. In this event, the account of each participant shall also become fully vested and nonforfeitable. In the event that the Committee shall determine the continuance of the Trust Fund is not in the best interests of the participants, the Board of Directors may terminate the Trust Fund, and upon such termination, the Trustee shall apply for the benefit of each participant (or beneficiary) the full value of such participant's account.

5. Investments

The fair value of individual investments that represent 5% or more of the Plan's net assets as of December 31, 1997 and 1996 are as follows:

	1997	1996
Fidelity Puritan Fund	$28,597,018	$24,212,829
Fidelity Retirement Money Market Fund	6,759,135	6,871,529
Scholastic Corporation Common Stock	4,806,075	6,601,664
Fidelity Growth Company Fund	8,814,062	6,575,209
Fidelity U.S. Equity Index Fund	8,089,825	4,763,295

SCHOLASTIC INC. 401(k) SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

5. Investments (Con't)

The changes in net assets available for benefits for the year ended December 31, 1997 allocated to separate accounts are as follows:

	Puritan Fidelity Puritan Fund	Fidelity Retirement Money Market Fund	Scholastic Corp. Common Stock	Fidelity Growth Comp. Fund	Fidelity U.S. Equity Index Fund
Interest & dividend income	$ 2,321,932	$ 370,876	$ 4,105	$ 842,348	$ 171,395
Contributions:					
Employer	811,212	250,559	399,037	516,360	407,546
Employee	2,238,312	637,331	1,133,522	1,610,397	1,232,770
	3,049,524	887,890	1,532,559	2,126,757	1,640,316
Total additions	5,371,456	1,258,766	1,536,664	2,969,105	1,811,711
Distributions to participants	(2,897,486)	(1,174,029)	(350,447)	(1,079,923)	(1,161,638)
Net realized and unrealized appreciation (depreciation) in fair value of investments	3,007,134	--	(2,650,291)	489,553	1,663,664
Net increase	5,481,104	84,737	(1,464,074)	2,378,735	2,313,737
Transfers	(1,290,987)	(206,868)	395,018	(134,618)	1,231,441
Net assets available for benefits at January 1, 1997	24,410,295	7,124,972	6,603,697	6,961,402	4,765,225
Net assets available for benefits at December 31, 1997	$ 28,600,412	$ 7,002,841	$ 5,534,641	$ 9,205,519	$ 8,310,403

	Fidelity Intermediate Bond Fund	Other (1)	Total
Interest & dividend income	$ 88,515	$ 13,203	$ 3,812,374
Contributions:			
Employer	104,392	--	2,489,106
Employee	285,542	--	7,137,874
	389,934	--	9,626,980
Total additions	478,449	13,203	13,439,354
Distributions to participants	(218,760)	--	(6,882,283)
Net realized and unrealized appreciation (depreciation) in fair value of investments	12,921	--	2,522,981
Net increase	272,610	13,203	9,080,052
Transfers	19,217	(13,203)	--
Net assets available for benefits at January 1, 1997	1,265,932	--	51,131,523
Net assets available for benefits at December 31, 1997	$ 1,557,759	--	$ 60,211,575

(1) Relates to interest income from Summit Bank Money Market account.

SCHOLASTIC INC. 401(k) SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

5. Investments (Con't.)

The changes in net assets available for benefits for the seven months ended December 31, 1996 allocated to separate accounts are as follows:

	Puritan Fidelity Puritan Fund	Fidelity Retirement Money Market Fund	Scholastic Corp. Common Stock	Fidelity Growth Comp. Fund	Fidelity U.S. Equity Index Fund
Interest & dividend income	$ 2,570,875	$ 194,387	$ 1,630	$ 261,431	$ 83,407
Contributions:					
Employer	485,439	154,228	263,485	285,117	174,884
Employee	1,326,194	381,519	684,884	803,652	494,319
	1,811,633	535,747	948,369	1,088,769	669,203
Total additions	4,382,508	730,134	949,999	1,350,200	752,610
Distributions to participants	(1,112,193)	(384,450)	(219,746)	(258,458)	(176,543)
Net realized and unrealized appreciation (depreciation) in fair value of investments	(453,764)	--	489,702	31,450	402,769
Net increase	2,816,551	345,684	1,219,955	1,123,192	978,836
Transfers	(757,685)	387,479	(989,961)	776,248	458,700
Net assets available for benefits at June 1, 1996	22,351,429	6,391,809	6,373,703	5,061,962	3,327,689
Net assets available for benefits at December 31, 1996	$ 24,410,295	$ 7,124,972	$ 6,603,697	$ 6,961,402	$ 4,765,225

	Fidelity Intermediate Bond Fund	Other (1)	Total
Interest & dividend income	$ 43,753	$5,477	$ 3,160,960
Contributions:			
Employer	53,104	--	1,416,257
Employee	138,165	--	3,828,733
	191,269	--	5,244,990
Total additions	235,022	5,477	8,405,950
Distributions to participants	(33,696)	--	(2,185,086)
Net realized and unrealized appreciation (depreciation) in fair value of investments	11,344	--	481,501
Net increase	212,670	5,477	6,702,365
Transfers	130,696	(5,477)	--
Net assets available for benefits at June 1, 1996	922,566	--	44,429,158

Net assets available for benefits at December 31, 1996	$ 1,265,932	$ --	$ 51,131,523
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(1) Relates to interest income from Summit Bank Money Market account.

SCHOLASTIC INC. 401(k) SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

5. Investments (Con't.)

The changes in net assets available for benefits for the year ended May 31, 1996 allocated to separate accounts are as follows:

	Puritan Fidelity Puritan Fund	Fidelity Retirement Money Market Fund	Scholastic Corp. Common Stock	Fidelity Growth Comp. Fund	Fidelity U.S. Equity Index Fund
Interest & dividend income	$ 1,162,512	$ 325,696	$ 1,654	$ 167,194	$ 57,606
Contributions:					
Employer	813,778	263,806	387,657	291,756	172,117
Employee	2,423,895	842,446	1,289,373	1,208,447	694,034
	3,237,673	1,106,252	1,677,030	1,500,203	866,151
Total additions	4,400,185	1,431,948	1,678,684	1,667,397	923,757
Distributions to participants	(1,837,311)	(589,533)	(544,742)	(160,686)	(157,912)
Net realized and unrealized appreciation (depreciation) in fair value of investments	2,099,245	--	413,829	599,488	424,792
Net increase	4,662,119	842,415	1,547,771	2,106,199	1,190,637
Transfers	(1,991,727)	(452,243)	61,295	1,405,682	976,278
Net assets available for benefits at June 1, 1995	19,681,037	6,001,637	4,764,637	1,550,081	1,160,774
Net assets available for benefits at May 31, 1996	$ 22,351,429	$ 6,391,809	$ 6,373,703	$ 5,061,962	$ 3,327,689

	Fidelity Intermediate Bond Fund	Other (1)	Total
Interest & dividend income	$ 48,972	$ 10,505	$ 1,774,139
Contributions:			
Employer	71,331	--	2,000,445
Employee	289,763	--	6,747,958
	361,094	--	8,748,403
Total additions	410,066	10,505	10,522,542
Distributions to participants	(135,761)	--	(3,425,945)
Net realized and unrealized appreciation (depreciation) in fair value of investments	(20,917)	--	3,516,437
Net increase	253,388	10,505	10,613,034
Transfers	11,220	(10,505)	--

Net assets available for benefits at June 1, 1995	657,958	--	33,816,124
Net assets available for benefits at May 31, 1996	$ 922,566	$ --	$ 44,429,158

(1) Relates to interest income from Summit Bank Money Market account.

6. Party-in-Interest Transactions

There were no party-in-interest transactions for the year ended December 31, 1997 which were prohibited by ERISA Section 406 and 407A and for which there is no statutory or administrative exemption.

7. Year 2000 Issue (unaudited)

Management of Scholastic Corporation ("Scholastic"), the Company's parent corporation, has initiated an enterprise-wide program to prepare its computer systems and applications for the year 2000. Scholastic expects to incur internal staff costs as well as consulting and other expenses related to infrastructure and facilities enhancements necessary to prepare systems for the Year 2000. Costs for testing and conversion of system applications will be expensed as incurred and are estimated to cost approximately $4.5 million to $8.0 million over the next three fiscal years. Such costs do not include normal system upgrades. A comprehensive evaluation of the impact of the Year 2000 issue on both Scholastic's infrastructure and its interface with suppliers and customers is expected to be completed in Scholastic's fiscal year ended May 31, 1999. Scholastic expects the remediation program to be completed by August 31, 1999, the first quarter of its year 2000. Based on current plans and efforts to date, Scholastic does not expect that the Year 2000 will have an adverse impact on operations. There can be no assurance, however, that all problems will be foreseen and corrected or that no material disruption to Scholastic's business will occur.

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee of the Scholastic Inc. 401(k) Savings and Retirement Plan which administers the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

SCHOLASTIC INC. 401(k) SAVINGS AND RETIREMENT PLAN

Date: June 29, 1998

/s/ Kevin J. McEnery

Kevin J. McEnery
Executive Vice President, Chief Financial Officer and Member of the Administrative Committee of the Scholastic Inc. 401(k) Savings and Retirement Plan

Exhibits

Exhibit No.	Document
23	Consent of Independent Auditors

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 No. 33-48655, No. 33-69058 and No. 33-91090) pertaining to the Scholastic Inc. 401K Savings and Retirement Plan of our report dated June 15, 1998, with respect to the financial statements of the Scholastic Inc. 401K Savings and Retirement Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1997.

New York, New York
June 25, 1998

/s/ Ernst & Young LLP