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

FORM 10-Q

(Mark one)

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

For quarterly period ending June 30, 1997

or

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

For the transition period from ______________ to _________________

Commission file number: 1-7945

DELUXE
CORPORATION
(Exact name of registrant as specified in its charter)

MINNESOTA	41-0216800
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

3680 Victoria St. N., St. Paul, Minnesota 55126-2966
(Address of principal executive offices) (Zip code)

(612) 483-7111
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No ___

The number of shares outstanding of registrant's common stock, par value $1.00 per share, at August 1, 1997 was 82,404,392.

Item I. Financial Statements

PART I. FINANCIAL INFORMATION
DELUXE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

<TABLE>
<CAPTION>

<S>	June 30, 1997 (Unaudited) <C>	December 31, 1996 <C>
CURRENT ASSETS		
Cash and cash equivalents	$ 122,198	$ 142,571
Marketable securities	12,975	
Trade accounts receivable	157,227	145,475
Inventories:		
Raw material	20,389	20,194
Semi-finished goods	11,218	14,549
Finished goods	21,376	21,295
Supplies	11,463	11,503
Deferred advertising	10,059	14,222
Deferred income taxes	31,817	31,413
Prepaid expenses and other current assets	50,118	48,302
Total current assets	448,840	449,524
LONG-TERM INVESTMENTS	62,314	59,138
PROPERTY, PLANT, AND EQUIPMENT		

Land	42,109	42,563
Buildings and improvements	303,639	307,018
Machinery and equipment	546,406	553,955
Construction in progress	1,838	1,382
Total	893,992	904,918
Less accumulated depreciation	460,634	458,060
Property, plant, and equipment - net	433,358	446,858
INTANGIBLES		
Cost in excess of net assets acquired - net	136,742	139,593
Other intangible assets - net	85,870	81,327
Total intangibles	222,612	220,920
TOTAL ASSETS	$ 1,167,124	$ 1,176,440
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 63,436	$ 63,810
Accrued liabilities:		
Wages, including vacation pay	61,813	56,471
Employee profit sharing and pension	22,162	52,879
Accrued rebates	36,851	33,975
Income taxes	19,619	
Other	101,362	110,625
Short-term debt		17,011
Long-term debt due within one year	6,284	6,606
Total current liabilities	311,527	341,377
LONG-TERM DEBT	107,191	108,937
DEFERRED INCOME TAXES	13,695	13,210
SHAREHOLDERS' EQUITY		
Common shares - $1 par value (authorized 500,000,000 shares; issued: 82,198,264)	82,198	82,056
Additional paid-in capital	3,995	
Retained earnings	649,211	631,151
Unearned compensation	(793)	(937)
Cumulative translation adjustment	100	646
Total shareholders' equity	734,711	712,916
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,167,124	$ 1,176,440

</TABLE>

See Notes to Consolidated Financial Statements

DELUXE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands Except per Share Amounts)
(Unaudited)

<TABLE>
<CAPTION>

	QUARTER ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>
NET SALES	$ 440,347	$ 466,580	$ 906,823	$ 954,668
OPERATING EXPENSES				
Cost of sales	193,281	211,543	397,577	462,206
Selling, general and administrative	171,006	168,633	350,710	353,802
Employee profit sharing and pension	11,247	16,239	23,268	30,648
Employee bonus and stock purchase discount	2,745	4,192	7,058	8,093
Total	378,279	400,607	778,613	854,749

INCOME FROM OPERATIONS	62,068	65,973	128,210	99,919
OTHER INCOME (EXPENSE)				
Other income	3,474	1,794	9,106	2,907
Interest expense	(2,487)	(2,518)	(4,872)	(5,305)
INCOME BEFORE INCOME TAXES	63,055	65,249	132,444	97,521
PROVISION FOR INCOME TAXES	25,598	27,193	53,562	40,544
NET INCOME	$ 37,457	$ 38,056	$ 78,882	$ 56,977
AVERAGE COMMON SHARES OUTSTANDING	82,142,145	82,378,062	82,129,544	82,397,264
NET INCOME PER COMMON SHARE	$ 0.46	$ 0.46	$ 0.96	$ 0.69
CASH DIVIDENDS PER COMMON SHARE	$ 0.37	$ 0.37	$ 0.74	$ 0.74

</TABLE>

See Notes to Consolidated Financial Statements

DELUXE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 1997 and 1996
(Dollars in Thousands)
(Unaudited)

<TABLE>
<CAPTION>

<S>	1997 <C>	1996 <C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 78,882	$ 56,977
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	29,026	33,740
Amortization of intangibles	14,132	19,129
Stock purchase discount	3,406	3,840
Net gain on sales of businesses	(1,814)	
Changes in assets and liabilities, net of effects from acquisitions, discontinued operations, and sales of businesses:		
Trade accounts receivable	(12,077)	(7,118)
Inventories	4,160	10,850
Accounts payable	(373)	(14,259)
Other assets and liabilities	(5,103)	32,659
Net cash provided by continuing operations	110,239	135,818
Net cash used by discontinued operations	(192)	(1,051)
Net cash provided by operating activities	110,047	134,767
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of marketable securities with maturities of more than 3 months		6,250
Net change in marketable securities with maturities of 3 months or less	(12,960)	
Purchases of capital assets	(39,821)	(41,228)
Payments for acquisitions, net of cash acquired		(8,723)
Net proceeds from sales of businesses and discontinued operations, net of cash sold	1,797	

Other	1,571	7,781
Net cash used in investing activities	(49,413)	(35,920)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(3,494)	(4,156)
Payments to retire common stock	(11,322)	(18,338)
Proceeds from issuing stock under employee plans	11,414	13,102
Net payments on short-term debt	(16,783)	(21,005)
Cash dividends paid to shareholders	(60,822)	(61,060)
Net cash used in financing activities	(81,007)	(91,457)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(20,373)	7,390
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	142,571	13,668
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 122,198	$ 21,058

</TABLE>

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The consolidated balance sheet as of June 30, 1997, the consolidated statements of income for the quarters ended June 30, 1997 and 1996 and the six months ended June 30, 1997 and 1996, and the consolidated statements of cash flows for the six months ended June 30, 1997 and 1996 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of such financial statements are included. Other than those discussed in the notes below, such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results for a full year.

   The financial statements and notes are presented in accordance with instructions for Form 10-Q, and do not contain certain information included in the Company's annual financial statements and notes.

2. As of June 30, 1997, the Company had uncommitted bank lines of credit of $190.0 million available at variable interest rates. As of that date, none was drawn on those lines. The Company had a $150 million committed line of credit available for borrowing and as support for commercial paper. As of June 30, 1997, the Company had no commercial paper outstanding. Additionally, the Company had a shelf registration in place for the issuance of up to $300 million in medium-term notes. Such notes could be used for general corporate purposes, including working capital, capital expenditures, possible acquisitions and repayment or repurchase of outstanding indebtedness and other securities of the Company. As of June 30, 1997, no such notes were issued or outstanding.

3. During the first quarter of 1996, the Company recorded charges of $34.8 million related to the closing of 21 of its check printing plants and the movement of PaperDirect's operations from New Jersey to existing company facilities in Colorado and Minnesota. The $34.8 million of charges consisted of employee severance costs and expected losses on the disposition of plant and equipment. Expenses of $32 million were included in cost of goods sold and $2.8 million were included in selling, general and administrative expense. As of June 30, 1997, 12 of the 21 plants had been closed. The Company's balance sheets reflect restructuring accruals of $21.1 million and $29.1 million as of June 30, 1997 and December 31, 1996, respectively, for employee severance costs, and $3.3 million and $3.8 million as of June 30, 1997 and December 31, 1996, respectively, for estimated losses on asset dispositions. The majority of the severance costs are expected to be disbursed in the remainder of 1997 and early 1998 with cash generated from the Company's operations.

4. In February, 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 128, EARNINGS PER SHARE, effective for interim and annual periods ending after December 15, 1997; in June, 1997, the FASB issued SFAS No. 130, REPORTING COMPREHENSIVE INCOME and SFAS No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION, both effective for interim and annual periods beginning after December 15, 1997. The effect of these statements is not expected to materially change the Company's reported operating results.

5. During December 1996, the Company announced its plans to divest three

of the business units in the Deluxe Direct segment -- Nelco, Inc., PaperDirect, Inc. and the Social Expressions unit of Current, Inc. Together, these business units recorded sales of approximately $39.1 and $46.7 million and contributed net losses of approximately $3.3 and $7.7 million in the second quarters of 1997 and 1996, respectively. These business units recorded aggregate sales of approximately $103.2 and $117.7 million and contributed net income of approximately $.7 and a net loss of approximately $10.8 million in the first six months of 1997 and 1996, respectively.

6. In July, 1997 the Company sold the assets of the check printing unit of Deluxe U.K. Limited. The effect of this sale will not have a material impact on the operating results of the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Company Profile

The Company has organized its many business units into three reporting segments, Deluxe Financial Services, Deluxe Direct and Deluxe Electronic Payment Systems. Through Deluxe Financial Services, the Company provides check printing, direct marketing assistance, business forms and related services to financial institutions and their customers in the United States, Canada, and the United Kingdom and payment systems protection services, including check authorization, account verification, and collection services to financial institutions and retailers. Through Deluxe Direct, the Company provides specialty papers to small businesses; tax forms and electronic tax filing services to tax preparers; and direct mail greeting cards, gift wrap, and related products to households. Through Deluxe Electronic Payment Systems, the Company provides electronic funds transfer and other software services to financial institutions and electronic benefit transfer services to state governments.

Results of Operations - Quarter and Six Months Ended June 30, 1997 Compared to the Quarter and Six Months Ended June 30, 1996

Net sales were $440.3 million for the second quarter of 1997, down 5.6% from the second quarter of 1996, when sales were $466.6 million. Net sales were $906.8 million for the first six months of 1997, down 5.0% from 1996, when sales for the first six months were $954.7 million. Deluxe Financial Services' revenue increased 4.1% over the second quarter and 5.0% over the first six months of 1996 due to acquisitions and volume increases in all areas offset slightly by price decreases in the check printing business. Deluxe Direct's revenue decreased 50.5% and 44.2% from the second quarter and the first six months of 1996, respectively, due primarily to divestitures and lower volume at the direct mail businesses as a result of reductions in solicitation mailings. Deluxe Electronic Payment Systems' revenue increased 6.4% over the second quarter and 5.8% over the first six months of 1996 due to increased volume in virtually all product lines.

Cost of sales decreased $18.3 million, or 8.6%, from the second quarter and $64.6 million, or 14.0%, from the first six months of 1996. Deluxe Financial Services' cost of sales was flat in quarter 2, 1997 compared to quarter 2, 1996 due to savings achieved in the business forms business offset by the volume increases and the impact of acquisitions. Deluxe Financial Services' cost of sales was significantly lower in the first six months of 1997 compared to 1996 due to the first quarter restructuring charge recorded in 1996. Deluxe Direct's cost of sales decreased significantly from 1996 due to divestitures and reduced sales by the direct mail businesses. Deluxe Electronic Payment Systems' cost of sales increased slightly as a result of an increase in personnel costs and general increases related to the higher sales volume.

Selling, general and administrative expenses increased $2.4 million or 1.4% in the second quarter of 1997 over the second quarter of 1996 and decreased $3.1 million, or .9% from the first six months of 1996. Deluxe Financial Services' 1997 selling, general and administrative expenses increased over 1996 due primarily to increased expenses for financial institution check printing related to higher customer service call volumes and the implementation of a new customer interface system. Deluxe Direct's selling, general and administrative expenses decreased from 1996 due primarily to divestitures and the suspension of depreciation and amortization of the business units held for sale (Nelco, Inc., PaperDirect, Inc., and the Social Expressions unit of Current, Inc.). Deluxe Electronic Payment Systems' selling, general and administrative expenses were flat versus 1996.

Net income was $37.5 million for the second quarter of 1997, or 8.5% of sales, compared to $38.1 million for the second quarter of 1996, or 8.2% of sales. Net income for the six months ended June 30, 1997 was $78.9 million, or 8.7% of sales compared to $57.0 million, or 6.0% of sales in 1996. The increase for the six month period is primarily attributable to a $3.5 million pretax gain on the sale of one of the Company's product lines in 1997, restructuring charges recorded in 1996, and lower employee profit sharing and pension costs as a result of amendments to the profit sharing and pension plans in 1997.

Financial Condition - Liquidity

Cash provided by operations was $110.0 million for the first six months of 1997, compared with $134.8 million for the first six months of 1996. The decrease in cash flow results from restructuring expenditures and other working capital changes. Cash from operations represents the Company's primary source of working capital for financing capital expenditures and paying cash dividends. The Company's working capital on June 30, 1997 was $137.3 million compared to $108.1 million on December 31, 1996. The Company's current ratio on June 30, 1997 was 1.4 to 1 compared to 1.3 to 1 on December 31, 1996.

Financial Condition - Capital Resources

Purchases of capital assets totaled $39.8 million in the first six months of 1997 compared to $41.2 million during the comparable period one year ago. As of June 30, 1997, the Company had uncommitted bank lines of credit of $190.0 million available at variable interest rates. As of that date, none was drawn on those lines. The Company had a $150 million committed line of credit available for borrowing and as support for commercial paper. As of June 30, 1997, the Company had no commercial paper outstanding. Additionally, the

Company had a shelf registration in place for the issuance of up to $300 million in medium-term notes. Such notes could be used for general corporate purposes, including working capital, capital expenditures, possible acquisitions and repayment or repurchase of outstanding indebtedness and other securities of the Company. As of June 30, 1997, no such notes were issued or outstanding. Cash dividends totaled $60.8 million in the first six months of 1997 compared to $61.1 million in the first six months of 1996.

PART II - OTHER INFORMATION

Item 2. Changes in Securities

During the first quarter, the Company extended the benefits afforded by the Company's shareholder rights plan, dated as of February 12, 1988 (the "Existing Plan"), by amending and restating its provisions. The amended plan, like the Existing Plan, is intended to deter coercive or abusive tender offers and market accumulations. The amended plan encourages an acquirer to negotiate with the Company's Board of Directors and enhances the Board's ability to act in the best interest of all of the Company's shareholders.

Among other things, the Amended and Restated Rights Agreement, dated as of January 31, 1997 (the "Amended Plan"), contains the following revisions to the Existing Plan: (i) Norwest Bank Minnesota, National Association has been appointed as Rights Agent; (ii) the term of the shareholder rights plan has been extended from February 22, 1998 through January 31, 2007; (iii) the exercise price of the Rights has been increased from $100 to $150 (subject to adjustment under certain circumstances described in the Amended Plan); (iv) the threshold ownership requirement which triggers the exercisability of the Rights has been reduced from 30% to 15%; (v) the circumstances under which the Rights may be redeemed or the Amended Plan amended has been revised; (vi) the Board of Directors may now exchange shares of the Company's Common Stock for the Rights under certain circumstances; (vii) the events giving rise to the ability of the holders of the Rights to purchase shares of the Company's Common Stock at a discount from its current market price have been revised; and (viii) a provision exempting certain permitted offers and inadvertent acquisitions from the operation of the Amended Plan has been incorporated. The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended Plan, a copy of which was filed as exhibit 4.1 to the Company's Amendment No. 1 on Form 8-A/A-1 filed with the Securities and Exchange Commission on February 7, 1997.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

The Company held its annual shareholders' meeting on May 6, 1997: 68,619,115 shares were represented (83.46% of the 82,219,375 shares outstanding).

1. Election of Directors:

The nominees listed in the proxy statement were: John A. Blanchard III, Harold V. Haverty, Whitney MacMillan, Dr. James Renier, Barbara B.

Grogan, Allen F. Jacobson, Stephen P. Nachtsheim, Calvin W. Aurund, Jr., Donald R. Hollis, and Robert C. Salipante.

The results were as follows:

For all nominees:	67,063,071
Withheld as to all nominees:	1,159,375
Withheld as to fewer than all nominees:	1,556,044

2. Ratification of appointment of Deloitte & Touche LLP as independent auditors:

For all nominees:	68,264,855
Against:	100,436
Abstain:	253,824

Item 5. Other Information

RISK FACTORS AND CAUTIONARY STATEMENTS

When used in this Form 10-Q and in future filings by the Company with the Securities and Exchange Commission, in the Company's press releases and in oral statements made with the approval of an authorized executive officer, the words or phrases "should result," "are expected to," "will continue," "will approximate," "is anticipated," "estimate," "project" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are necessarily subject to certain risks and uncertainties, including those discussed below, that could cause actual results to differ materially from the Company's historical experience and its present expectations or projections. Caution should be taken not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The factors listed below could affect the Company's financial performance and could cause the Company's actual results for future periods to differ from any opinions or statements expressed with respect thereto. Such differences could be material and adverse.

The Company will not undertake and specifically declines any obligation to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances occurring after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. This Item 5 statement supersedes and replaces the discussion in Exhibit 99.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996. Capitalized terms used without definition herein have the meanings assigned to such terms in the Quarterly Report on Form 10-Q of which this Exhibit is a part.

Earnings Estimates. From time to time, the authorized representatives of the Company may make predictions or forecasts regarding the Company's future results, including estimated earnings or earnings from operations. Any forecast, including the Company's current statement that its 1997 adjusted earnings from operations will approximate $2.15 per share, regarding the Company's future performance reflects various assumptions. These assumptions are subject to significant uncertainties and, as a matter of course, many of them will prove to be incorrect. Further, the achievement of any forecast depends on numerous factors (including those described in this discussion), many of which are beyond the Company's control. As a result, there can be no assurance that the Company's performance will be consistent with any management forecasts and the variation from such forecasts may be material and adverse. Investors are cautioned not to base their entire analysis of the Company's business and prospects upon isolated predictions, but instead are encouraged to utilize the entire available mix of historical and forward-looking information made available by the Company and other information affecting the Company and its products when evaluating the Company's prospective results of operations.

In addition, authorized representatives of the Company may occasionally comment on the perceived reasonableness of published reports by independent analysts regarding the Company's projected future performance. Such comments should not be interpreted as an endorsement or adoption of any given estimate or range of estimates or the assumptions and methodologies upon which such estimates are based. Generally speaking, the Company does not make public its own internal projections, budgets or estimates. Undue reliance should not be placed on any comments regarding the conformity, or lack thereof, of any independent estimates with the Company's own present expectations regarding its future results of operations.

The methodologies employed by the Company in arriving at its own internal projections and the approaches taken by independent analysts in making their estimates are likely different in many significant respects. Although the Company may presently perceive a given estimate to be reasonable, changes in the Company's business, market conditions or the general economic climate may have varying effects on the results obtained through the use of differing analyses and assumptions. The Company expressly disclaims any continuing responsibility to advise analysts or the public markets of its view regarding the current accuracy of the published estimates of outside analysts. Persons relying on such estimates should pursue their own independent investigation and analysis of their accuracy and the reasonableness of the assumptions on which they are based.

Sales of Businesses. The Company has indicated its continuing intention to divest the businesses comprising its Deluxe Direct segment, but it has not reached agreement with any prospective buyers nor has it received what it considers an acceptable bid for any of such companies. As a result, the possibility exists that the Company will not identify a suitable buyer or receive an acceptable price for the entities to be divested. A failure to identify an appropriate buyer and/or reach an acceptable purchase price could materially delay the anticipated sales and/or could result in further write-offs by the Company, some of which could be significant. In addition, a delay in the execution of these sales could cause the Company to incur continued operating losses from the businesses sought to be divested, or make unanticipated investments in those businesses, and would postpone the receipt and use by the Company of the proceeds expected to be generated thereby.

Other Dispositions. In connection with its restructuring, the Company may also consider divesting or discontinuing operating or using other business units and assets which could result in write-offs by the Company, some of which could be significant.

Timing and Amount of Anticipated Cost Reductions. With regard to the results of the Company's ongoing cost reduction efforts, there can be no assurance that the anticipated cost savings will be fully realized or will be achieved within the time periods expected. The

implementation of the printing plant closures is, in large part, dependent upon the successful development of the software needed to streamline the check ordering process and redistribute the resultant order flow among the Company's remaining printing plants. Because of the complexities inherent in the development of software products as sophisticated as those needed to accomplish this task, there can be no assurance that unanticipated development delays will not occur or that delays, currently being experienced by the Company in connection with such development and the conversion of its systems to the use of such software, will not continue beyond the Company's current expectations. Any such occurrence (or the continuation of any such delay beyond current expectations) could adversely affect the planned consolidation of the Company's printing facilities and delay the realization or reduce the amount of the anticipated expense reductions.

In addition, the achievement of the expected level of cost savings is dependent upon the successful execution of a variety of other cost reduction strategies. These additional efforts include the consolidation of the Company's purchasing process, the disposition of unprofitable or low-margin businesses and other efforts. The optimum means of actualizing many of these strategies is, in some cases, still being evaluated by the Company. Unexpected delays, complicating factors and other hindrances are common in these types of endeavors and can arise from a variety of sources, some of which are likely to have been unanticipated. A failure to timely achieve one or more of the Company's primary cost reduction objectives could materially reduce the benefit to the Company of its cost savings programs and strategies or substantially delay the full realization of their expected benefits.

Further, there can be no assurance that increased expenses attributable to other areas of the Company's operations or to increases in raw material, labor, equipment or other costs will not offset some or all of the savings expected to be achieved through the cost reduction efforts. Competitive pressures and other market factors may also require the Company to share the benefit of some or all of any savings with its customers or otherwise adversely affect the prices it receives or the market for its products. As a result, even if the expected cost reductions are fully achieved in a timely manner, such reductions are not likely to be fully reflected by commensurate gains in the Company's net income, cash position, dividend rate or the price of its Common Stock.

Effect of Financial Institution Consolidation. There is an ongoing trend towards increasing consolidation within the banking industry that has resulted in increased competition and pressure on check prices. This concentration greatly increases the importance to the Company of retaining its major customers and attracting significant additional customers in an increasingly competitive environment. Although the Company devotes considerable efforts towards the development of a competitively priced, high quality suite of products for the financial services and retail industries, there can be no assurance that significant customers will not be lost nor that any such loss can be counterbalanced through the addition of new customers or by expanded sales to the Company's remaining customers.

Raw Materials and Postage Costs. Increases in the price of paper and the cost of postage can adversely affect the profitability of the Company's printing and mail order businesses. Competitive pressures and overall trends in the marketplace may have the effect of inhibiting the Company's ability to reflect increased costs of production in the retail prices of its products.

Competition. Although the Company believes it is the leading check printer in the United States, it faces considerable competition from other smaller companies in both its traditional marketing channel to financial institutions and from direct mail marketers of checks. From time to time, one or more of these competitors reduce the price of their products in an attempt to gain market share. The corresponding pricing pressure placed on the Company has resulted in reduced profit margins in the past and there can be no assurance that similar pressures will not be exerted in the future.

Check printing is, and is expected to continue to be, an essential part of the Company's business and the principal source of its operating income for at least the next several years. A wide variety of alternative payment delivery systems, including credit cards, debit cards, smart cards, ATM machines, direct deposit and bill paying services, home banking applications and Internet-based retail services, are in various stages of maturity or development and additional systems will likely be introduced. Although the Company expects that there will continue to be a substantial market for checks for the foreseeable future, the rate and the extent to which these alternative systems will achieve consumer acceptance and replace checks cannot be predicted. A surge in the popularity of any of these alternative payment methods could have a material, adverse effect on the demand for the Company's primary products and its account verification, payment protection and collection services. The creation of these alternative payment methodologies has also resulted in an increased interest in transaction processing as a source of revenue, which has led to increased competition for the Company's transaction processing businesses.

Seasonality. A significant portion of the revenues and earnings of the Company's Deluxe Direct segment is dependent upon its results of operations during the fourth quarter. As a result, the results reported for this division during the first three quarters of any given year are not necessarily indicative of those which may be expected for the entire year.

HCL Joint Venture. Although the Company has reached an agreement in principle to form a joint venture with HCL Corporation of New Delhi, India ("HCL"), certain conditions precedent to the formation of the joint venture have not yet been fulfilled. Transactions of this type are typically complex and difficult to structure, and the level of complexity is heightened when, as is the case with HCL, the joint venture involves foreign persons and/or entities. Significant, unforeseen issues may arise that could delay, or prevent altogether, the formal creation of the joint venture.

Moreover, there can be no assurance that the software and transaction processing products and software development services proposed to be offered by the joint venture will achieve market acceptance in either the United States or India. In addition, the Company has no operational experience in India and only limited international exposure to date. Operations in foreign countries are subject to numerous potential obstacles including, among other things, cultural differences, political unrest, export controls, governmental interference or regulation (both domestic and foreign), currency fluctuations, personnel issues and varying competitive conditions. There can be no assurance that one or more of these factors, or additional causes or influences, many of which are likely to have been unanticipated and beyond the ability of the Company to control, will not operate to inhibit the success of the venture. As a result, there can be no assurance that the HCL joint venture will generate significant revenues or profits or provide an adequate return on any investment by the Company.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The following exhibits are filed as part of this report:

Exhibit No.	Description	Method of Filing
12.1	Computation of Ratio of Earnings to Fixed Charges	Filed herewith
27.1	Financial Data Schedule	Filed herewith

(b) The registrant did not, and was not required to, file any reports on form 8-K during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DELUXE CORPORATION
(Registrant)

Date August 14, 1997

/s/ J.A. Blanchard III

J.A. Blanchard III, President
and Chief Executive Officer
(Principal Executive Officer)

Date August 14, 1997

/s/ Thomas W. VanHimbergen

Thomas W. VanHimbergen, Senior Vice President
and Chief Financial Officer
(Principal Financial Officer)

INDEX TO EXHIBITS

Exhibit No.	Description	Page No.
12.1	Computation of Ratio of Earnings to Fixed Charges	
27.1	Financial Data Schedule	

Exhibit 12.1

DELUXE CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

<TABLE>
<CAPTION>

	Six Months Ended June 30, 1997	Years Ended December 31, 1996	1995	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Earnings							
Income from Continuing Operations before Income Taxes	$132,444	$118,765	$169,319	$246,706	$235,913	$324,783	$295,493
Interest expense (excluding capitalized interest)	4,872	10,649	13,099	9,733	10,070	15,371	8,220
Portion of rent expense under long-term operating leases representative of an interest factor	6,946	13,467	14,761	13,554	13,259	12,923	11,807
Amortization of debt expense	61	121	84	84	84	84	71
TOTAL EARNINGS	$144,323	$143,002	$197,262	$270,077	$259,326	$353,161	$315,591
Fixed charges							
Interest Expense (including capitalized interest)	$ 5,122	$ 11,978	$ 14,714	$ 10,492	$ 10,555	$ 15,824	$ 8,990
Portion of rent expense under long-term operating leases representative of an interest factor	6,946	13,467	14,761	13,554	13,259	12,923	11,807
Amortization of debt expense	61	121	84	84	84	84	71
TOTAL FIXED CHARGES	$ 12,129	$ 25,566	$ 29,559	$ 24,130	$ 23,898	$ 28,831	$ 20,868
RATIO OF EARNINGS TO FIXED CHARGES:	11.9	5.6	6.7	11.2	10.9	12.2	15.1

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<MULTIPLIER> 1,000

<S>	<C>	
<PERIOD-TYPE>	3-MOS	
<FISCAL-YEAR-END>		DEC-31-1997
<PERIOD-START>		APR-01-1997
<PERIOD-END>		JUN-30-1997
<CASH>		122,198
<SECURITIES>		12,975
<RECEIVABLES>		157,227
<ALLOWANCES>		0
<INVENTORY>		52,983
<CURRENT-ASSETS>		448,840
<PP&E>		893,992
<DEPRECIATION>		460,634
<TOTAL-ASSETS>		1,167,124
<CURRENT-LIABILITIES>		311,527
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		82,198
<OTHER-SE>		652,513
<TOTAL-LIABILITY-AND-EQUITY>		1,167,124
<SALES>		440,347
<TOTAL-REVENUES>		440,347
<CGS>		193,281
<TOTAL-COSTS>		378,279
<OTHER-EXPENSES>		(3,474)
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		2,487
<INCOME-PRETAX>		63,055
<INCOME-TAX>		25,598
<INCOME-CONTINUING>		0
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		37,457
<EPS-PRIMARY>		.46
<EPS-DILUTED>		0

</TABLE>