

# Law restricts holds on bank deposits

By **MATTHEW FURY**  
Staff Writer

The U.S. House of Representatives has passed an act that would limit the amount of time a bank may deny a customer access to deposited funds.

The Expedited Funds Availability Act is designed to eventually require banks to make in-state checks accessible to customers one business day after deposit. The legislation applies to all financial institutions.

The Bartlett Amendment to the bill allows banks to deny a customer access to check deposits if there is "reasonable belief" that the account of the deposited check is not backed by sufficient funds. In this case, the bank would be required to inform the depositor within one business day that his funds were being held.

The amendment placated some banks' fears of losses on bad deposits. David Fox, spokesperson for First Citizen's Bank, said a mandatory clearing schedule "could probably create more opportunities for the would-be con-man." However, the bill would not be a great problem for the bank if it became law, he

said. The amendment is opposed by those who feel it goes too far to protect the banks. It would give them too much discretion in determining which accounts have insufficient funds, said a House Banking Committee spokesperson.

Minority members, farmers, foreigners, and individuals in legal proceedings could be likely targets for discrimination, the spokesperson said.

"We hope the banks are reasonable and will not arbitrarily hold checks," she said. "If a citizen feels his check is being held indiscriminately, he should turn to a public law firm."

N.C. Congressmen Jim Broyhill of Lenoir and Alex McMillan of Charlotte supported the Bartlett Amendment.

"If you don't strike a good balance (between bank and consumer interests), you will hurt the competitive situation. You have to give some leeway," said Jay Timmons, press secretary for McMillan.

The bill, which awaits Senate consideration, would be implemented over a three-year period.

Within 90 days of the bill's enactment, cash deposits, certified checks and cashier's checks would be available the next day. At the same time, checks drawn on local banks would be available three days after deposit. Next-day availability on local checks and in-state checks would be mandated three years after enactment.

The Federal Reserve Board would have the right to suspend the law for 45 days if an excessive check fraud was determined. New bank accounts are also exempt from clearing schedule guarantees for 30 days. Individual states may devise their own clearing schedules, provided that they offer more support for the consumer.

Some area bank representatives do not oppose the proposal.

"We do not as a general practice hold customers' deposits. There wouldn't be any change for us," said William Nester, Village Bank head of operations.

Spokespersons for Carolina Central Bank, Northwestern Bank, and Wachovia said they did not foresee any changes in customer service.

## Marcos puts military on alert

From Associated Press reports

MANILA, Philippines - President Ferdinand E. Marcos put the armed forces on "red alert" Thursday, the eve of the special presidential election. In a U.S. television interview, he accused opponent Corazon Aquino of saying his re-election could spark civil war.

Speaking on ABC News "Nightline," Aquino, 53, reiterated fears the Friday election may be rigged in favor of Marcos, who has held power for 20 years.

Marcos, 68, called the election more than an year early to prove to critics he still can muster popular support.

An announcer on Philippine government radio, making public the decision to bring the military to its highest level of preparedness, said the armed forces were on red alert

## news in brief

and all military personnel would be on call for the next 24 hours.

**Hijacker's motives unclear**  
RAPEVINE, Texas - A man who commandeered a Delta Air Lines jet, holding a penknife on a steward before he was overpowered by FBI agents, had been nervously pacing the aisles, according to passengers who said they didn't know anything was wrong until police arrived.

Ralph A. Hughes II, 34, of Fort Lauderdale, Fla., made no clear demands after he grabbed the steward Wednesday night as Flight 139, arriving from Fort Lauderdale bound for Los Angeles, taxied to the Delta terminal, said FBI Agent Bob Gillham.

# No end in sight for interstate bank mergers

Editors' Note: This is the fourth of a four-part series on interstate bank mergers in North Carolina.

By **GORDON RANKIN**  
Staff Writer

The number of mergers within the American and international business communities has grown sharply, and the trend will continue during the next decade, according to the January issue of *Fortune* magazine.

The Wachovia Corporation and First Atlanta Corporation, two major Sou-

theastern banking firms, announced on September 17 of last year that they would combine to form the First Wachovia Corporation. The Federal Reserve System and the Georgia Department of Banking and Finance approved the merger in early November.

According to agreements reached by the two original companies, Wachovia stockholders will be given one share of First Wachovia for each Wachovia share, and each share of the First Atlanta stockholders will be converted into .80 share of First Wachovia

Corporation. Upon completion of the merger, the new institution will possess assets of \$16.7 billion, and its deposits will be valued at \$12.3 billion. That, plus the combination of 327 branch offices in two states, will make First Wachovia an able competitor in the Southeastern financial market.

The newly-formed corporation announced on December 12 that it would be setting up a new division, First Wachovia Corporate Services Inc., to overlook important institutional and corporate negotiations for its two principal banks in this country and abroad.

John G. Medlin Jr., president and chief executive officer of the new firm, said: "This plan creates a functional administrative structure which can coordinate and integrate corporate banking activities of the two banks. It will enable the provision of corporate banking services under the First Wachovia name in all markets outside those served by the metropolitan and state-wide units in Georgia and North Carolina."

According to statistics released in the January issue of *Financial Advisor*, mergers like that of First Atlanta and Wachovia will steadily increase despite the increased number of mergers within the past five years.

Banks and other financial institutions rank second in the number of corporate acquisitions. Oil companies hold the top position, and the power industry ranks third.

H. Jack Runnion Jr., executive vice president and chief financial officer of First Wachovia, said although his company would need time before it proceeded with further acquisitions, he did foresee, in general, more of a trend toward the consolidation of large companies.

"There will be many beneficial results of this trend," he said. "The companies themselves will be enabled to utilize a greater number of corporate resources, but more importantly, consumers will find themselves benefitting from larger yet more inexpensive institutions."

Medlin will also continue to serve as the head of both the Wachovia Corporation and its Wachovia Bank and Trust division. Thomas R. Williams was chosen chairman of First Wachovia and will remain president of First Atlanta and its subsidiary First National Bank of Atlanta.

## Post offices receive boost

By **BETH OWNLEY**  
Staff Writer

In response to complaints from Chapel Hill residents about local mail delivery, U.S. Rep. Bill Cobey has requested that more resources be invested in area postal facilities.

In a prepared statement released last month, Cobey said two postal supervisors have been sent from Raleigh to help manage the Chapel Hill post office. Twenty new employees have recently been hired in the Estes Drive and Franklin Street postal stations.

According to Chapel Hill postmaster Tom Grobleski, the number of postal service personnel is inadequate to meet the workload. Grobleski, who became postmaster in October, said temporary employees have been hired, and permanent employees will begin work in February.

There are 121 full-time postal employees in Chapel Hill and the postal service is continuing to hire temporary employees, he said.

The major complaints about mail delivery involve late and misdelivered mail, Grobleski said. "Those problems have been lessened but not alleviated

unfortunately," he said. Cobey's press secretary, Steve Long, said most complaints concerned delayed mail, long post office lines and package delivery.

"The Triangle area is growing at such a pace that we're having a difficult time keeping up with the growth," Grobleski said. He added that there has been a 10.7 percent increase in Chapel Hill mail in 1986.

Mail volume in the Triangle has increased more than 18 percent in the last year — the largest increase in the South.

Grobleski said renovations soon will begin on the Estes Drive post office. Renovations include resurfacing the parking lot and expanding the post office box and lobby areas. To improve lobby service, two new postage meters have been ordered and a third full-time window clerk has been added.

The postal service is considering building a new, larger Franklin Street post office, Long said. He added that there is a new postal facility in the Student Store on the UNC campus to serve students and relieve congestion at the Franklin Street office.

## Activist to speak at book shop

Virginia Durr, longtime civil rights activist, will speak at the Bull's Head Book Shop at 3 p.m. Monday in honor of the publication of her oral autobiography *Outside the Magic Circle*. Durr will discuss her upbringing and

her battles for social justice. The interviews in her collection were conducted by Sue Thrasher and Jacquelyn Hall of UNC's Southern Oral History Program.

## SBP candidates Brady, Hassel to debate

The Carolina Union Forums Committee will sponsor a debate between student body president candidates David Brady and Bryan Hassel at 3 p.m.

Sunday in the Student Union. The location will be posted at the Union desk.

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Carolina Union Room 106 9-4 PM for appointment

## for the record

In Thursday's *Daily Tar Heel* article, "New water line to come to campus," the first day of fall classes was incorrectly reported. Classes will begin Aug. 21. *The Daily Tar Heel* regrets the error.

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- 1. DATE** February 10 \*
- 2. PLACE** International Center  
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\*If unable to attend, please call our toll free number.

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