

Publication: Abstract

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Paper: Liquidity and Borrowing from a Lender of Last Resort during the Crisis of 1884 2023. *International Journal of Finance and Banking Studies* 12(4): 1-13.

Abstract: This paper investigates the relation between bank liquidity and borrowing from a lender of last resort on a high frequency basis during a financial crisis. The paper evaluates weekly observations of individual bank borrowing of clearinghouse loan certificates by a panel of New York Clearing House member banks during the crisis of 1884. Naturally, banks with higher reserve ratios borrowed lower amounts, but banks replaced a dollar of reserves with less than a dollar of borrowing from a lender of last resort.