Although his tenure as the first secretary and cashier of the Federal Reserve Bank of Kansas City was brief, few individuals played a more pivotal role in the Bank's history than Jerome Thralls.

The campaign to win over the Reserve Bank Organizing Committee involved many of the city's business leaders, but it was Thralls who first presented the idea to local bankers. He convinced the community it could win one of the regional banks, and he did much of the work in preparing the city's presentation, including proposing boundaries that the selection committee would nearly replicate when drawing the Tenth Federal Reserve District.

Then, little more than a year after the Bank opened, Thralls left Kansas City, taking a job on the East Coast where he became an authority on international trade with an office in the middle of New York's financial district—a long way from his humble beginnings in rural Missouri.

Early years

Thralls grew up northeast of Kansas City in the small town of Chillicothe, Mo. The youngest of Henry and Margaret Thralls' nine children, he earned 50 cents a day pitching hay for a neighbor—the first in an eclectic string of early jobs and an early indicator of his work ethic and ambition.
According to a 1926 *Kansas City Star* article, Thralls built chicken coops, then took a job in a rural general merchandise store. He was later involved in small town real estate and banking, and he even earned $800 for six months as a fur trapper in the Ozarks.

He spent five years with an express company, a job he sought after reading a newspaper article that mentioned the hefty salary paid to the company’s president.

“I decided that I should like nothing better than to be president of that great company and I headed at once for the job,” Thralls said in the *Star* article.

He did not make it to company president, but the job took him to Kansas City, where he was offered a position with the Kansas City Clearing House Association, an organization involved in routing payments between banks. He soon became the Association’s manager and still held the position when President Woodrow Wilson signed the Federal Reserve Act in December 1913. The new legislation prompted the then-32-year-old Thralls, whose job had him well-positioned to understand the relationships between the region’s financial institutions, to immediately begin contacting local bankers about the idea of seeking one of the regional reserve banks for Kansas City.

Although the *Kansas City Times* later wrote “Kansas City’s campaign for the Federal Reserve Bank was one of the most determined in its history,” the effort did not start that way.

“At first most (Kansas City bankers) thought it was a forlorn hope,” the *Kansas City Journal* wrote. “Thralls was confident and he believed differently. He insisted that there was a territory belonging to Kansas City which would supply such a bank with all needed capital and surplus.”

The *Times* wrote about Thralls’ initial meeting with an unidentified “president of one of the biggest banks in the city” who reportedly told Thralls, “I admire your courage, but I am afraid it would be a useless task.”

It would not be the only time Thralls would find resistance to the idea.

“Other bankers were inclined to think he was too ambitious, but he said he was willing to do the work if they would get behind him,” the *Times* reported.

Eventually, Thralls was able to convince the bankers to warm to his idea and the community-wide effort began to take shape.

**The best-case scenario**

The push eventually resulted in a Kansas City visit by the Reserve Bank Organizing Committee where Thralls presented each panel member with a leather-bound report detailing why Kansas City was an ideal location for one of the regional banks. Although the committee received similar filings from 36 other communities nationwide,
the Kansas City report “was more concise, contained more real meat and was in better shape than any which had been filed with the committee,” the Journal wrote in its April 3, 1914 story announcing the city’s selection as a Reserve Bank city.

The man whom the Star later described as “modest and unassuming” fit the definition of those terms with the public comments he made during a boisterous gathering of local business leaders celebrating the community’s selection.

At an event featuring at least one vaudeville-style performer and nearly three hours of speeches that elicited laughter and applause, Thralls was almost stoic in his brief remarks.

“We came nearer getting the territory we asked for than any other city,” Thralls said. “That shows we were honest and sincere in presenting our case. We asked only for what rightfully belonged to us. I have been here 12 years and it’s the greatest of Kansas City’s victories in that time.”

He seems to have been only slightly more emotional than he had been a day earlier when he used the words “highly gratified” to describe his feelings about the decision to a Journal reporter.

**The Federal Reserve and beyond**

The Federal Reserve Bank of Kansas City’s Board of Directors chose Thralls to serve as the Bank’s first cashier and secretary during its meeting on Oct. 31, 1914, about two weeks before the Bank opened for business.

“I shall support Mr. Thralls for cashier for the reason that nearly every bank in town is supporting him for that position and expects him to have it,” Director and future Bank Governor Willis J. Bailey told the Bank’s other directors during the meeting.

Thralls held the position for only a matter of months, however, resigning on Feb. 10, 1916 to accept a job with the American Bankers Association. According to Bank records, Thralls’ resignation was accepted and “a most complimentary resolution of regret and appreciation” was adopted by the Bank’s Board of Directors.

Thralls immense popularity with area bankers and his efforts to win the Reserve Bank for Kansas City were likely contributing factors to a small controversy that erupted in the weeks prior to his then-rumored departure.

An article in the Journal suggested he was being forced out by politicians attempting to politicize the nation’s new central bank. The article suggested the political pressure may have even prevented Thralls from an initial appointment to the Bank’s top position.

“The bankers of Kansas City recognized
the ability of Mr. Thralls and after Kansas City had been selected as the location of one of the Federal Reserve Banks, he had many endorsements to head the institution as Federal Reserve agent and chairman of the Board of Directors,” the article says. “His political affiliation is believed to have kept him out of that.”

Thralls, who was out of town interviewing for the ABA position at the time the story was published, sent a letter to the newspaper refuting the article’s claims and voicing support for both the Bank and the entire Federal Reserve System.

“My connection with the Federal Reserve Bank … has no relation whatever to politics and when I leave the service of the Federal Reserve Bank of Kansas City, it will be for the purpose of engaging in a line of work which will afford a broader field of activity, and with matters of common interest to the members of the Federal Reserve System,” Thralls wrote.

After leaving the Bank, Thralls went on to great success.

At the ABA, he was once again involved with clearinghouses and he served in an advisory capacity to the government’s financing program for World War I. He authored a textbook, became a recognized expert on foreign trade and was involved in the formation of the American Trade Acceptance Council. He served as vice president of the Discount Corporation of New York and, later in his career, became president of the Prudence Securities Corporation.

He died on March 19, 1965 at the age of 84 in Brooklyn, N.Y.

In the Star’s 1926 article, Thralls was asked about the various career opportunities he had pursued, with the reporter suggesting chance is a key component of any life.

“I wouldn’t call it chance,” Thralls said. “I’d call it opportunity. We are, in a measure, creatures of environment and opportunity. Some see and grasp every opportunity for advancement in life, while others let the opportunity slip by.

“It was opportunity to work in the neighbor’s hay field that gave me my first half dollar and the inspiration to earn more.”

BY TIM TODD, EDITOR

COMMENTS/QUESTIONS are welcome and should be sent to teneditors@kc.frb.org.