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PM releases RBI's History Volumes and inaugurates RBI's Centre for Advanced Financial Learning

Dr. Manmohan Singh, the Honourable Prime Minister of India today released the third volume of the history of the Reserve Bank of India. The volume, released at the Reserve Bank of India in Mumbai, covers the period between 1967 and 1981. Dr. Manmohan Singh also inaugurated the Centre for Advanced Financial Learning of the Reserve Bank. Dr. Manmohan Singh, former Governor of the Reserve Bank, is the first Indian Prime Minister to visit the Reserve Bank and to address a special meeting of its Central Board.

The occasion also marked completion of seventy years of existence of the Reserve Bank of India.

To commemorate the occasion, Shri P Chidambaram, the Union Finance Minister, released the Reserve Bank of India's annual Report on Currency and Finance for 2004-2005. To synchronise with the history of the Reserve Bank, the theme of this Report is **"Evolution of Central Banking in India"**.

The function was attended by Shri S M Krishna, the Governor of Maharashtra and Shri Vilasrao Deshmukh, Honourable Chief Minister of Maharashtra. Six Governors past and present - of the Reserve Bank of India attended the function. Members of the Central Board of Directors of the Reserve Bank, senior members of staff, and others associated with the history project and members of the committee for makeover of the Bankers' Training College were among the special invitees at the function.

Established in 1935, the Reserve Bank of India completed 70 years of its existence in 2005. The third volume of its history, covering period 1967 to 1981, has been published along with the earlier two volumes to commemorate this occasion. The first volume covering the period from 1935 to 1951 and the second volume covering the period 1951 to 1967 were published earlier. The three volumes have been published once again as a set to facilitate the reader to capture the evolving phase of the Reserve Bank over a 46-year period of its development. The Report on Currency and Finance of 2004-2005 released simultaneously today, by focussing thematically on the evolution of central banking in India, is expected to help the reader get a perspective on the Reserve Bank of India over the 70-year period of its existence.

The Centre for Advanced Financial Learning, which was inaugurated by the Prime Minister today is a relaunching of the Bankers Training College, a 50-year old training establishment of the Reserve Bank of India that has contributed significantly towards building skills among commercial and central bankers. Recognising the many changes that have taken place in the financial sector the underlying purpose of the new Centre is to provide a broad based intellectual platform for research, training and discussion for senior executives and professionals in the financial sector, both Indian and foreign.

The Prime Minister fondly remembered his tenure at the Reserve Bank of India and commended the role of the central bank by recounting the words he had said as the Governor of the Reserve Bank: "The policies of a country's central bank and monetary authority have profound implications for the functioning of any modern economy...objectives of our monetary and credit policies have to be consistent with the nation's overall social and economic objectives". Viewed from this perspective, the Reserve Bank has contributed to economic growth and employment generation in the economy through maintenance of price and financial stability while ensuring adequate availability of credit to various sections of the society, he said. In addition, the Reserve Bank has also successfully discharged its non-traditional responsibilities such as the development of agricultural credit, rural co-operatives and development finance institutions. These facets of the Reserve Bank's role are well documented in the history volumes being released today, he added.

Pointing out that Mumbai with all its inherent advantages in terms of human capital and commercial acumen can be positioned as a viable Regional Financial Centre, the Prime Minister urged that work towards this objective should be undertaken. He further urged the Finance Minister and the Reserve Bank to revisit the subject of capital account convertibility and come out with a roadmap based on current realities. The Prime Minister added that progress in this regard will facilitate the transformation of Mumbai into not only a Regional but also a Global Financial centre.

The Finance Minister while releasing the Report on Currency and Finance commended the effort and stated that the theme of evolution of central banking befitted the occasion as the concept of central banking in India and the world is under transformation. Stating that in India the financial sector reforms were an integral part of the economic reforms since 1990s, the Finance Minister appreciated the role the Reserve Bank of India has played in modernising the banking infrastructure and in making it competitive to bring it in line with the global competition. The Finance Minister expressed satisfaction that the Reserve Bank has been successful in meeting its objective of ensuring price stability and financial stability in the economy while contributing to economic growth through channelising credit to productive sector. He added that as India embarks on the higher growth path as indicated by the Prime Minister, the financial sector will have to play a crucial role in garnering resources from the savers and allocating them efficiently for productive uses. Some recent RBI instructions such as financial inclusion, guidelines for issue of credit cards, managing the demand for currency, and clean note policy, should be seen in this context, he said. The Finance Minister also highlighted the need for maintaining confidence of the domestic and global investors in the country's capital market. He further stressed that it was necessary to address the inter-relationship with the rest of the architectural framework of the financial sector which was not fully integrated. As the economy became more open, he expected that the path of continuous change that the Reserve Bank had exhibited over the last 70 years, would continue for at least another 70 years and beyond.

Dr. Rakesh Mohan, Deputy Governor, proposed a special vote of thanks to all distinguished guests.

Alpana Killawala
Chief General Manager

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