

The new deal's lasting impact on the u.s. assignment

[History](#)



Roosevelt took office with the intentions of stabilizing the economy and bringing relief to those who were suffering as a result of the Great Depression. He did so by enacting a group of experimental programs and projects that are collectively known as the New Deal. The New Deal has had a lasting impact on the United States and to this day is known as one of the most significant molding elements in history. The reforms made to the American banking systems are the longest lasting impact of the New Deal.

Roosevelt made these reforms by implementing various programs to stabilize and essentially fix the broken economy and US banks. One of the first programs introduced during the New deal was the Emergency Banking Relief Act, created to aid with the crisis of bank failures. The Emergency Banking Relief Act called for a nation wide banking holiday during which all banks were shut down for two weeks. During this time, Roosevelt called a special session of congress, and they voted to give him absolute control over the national finances and foreign exchange of the United States.

For the first time in history, the president had control over the nations finances, and this is how it remains today. This reform sparked the creation of many others with the same ultimate goal of repairing the nations banking systems. Another pivotal reform during the New Deal was the Glass- Steal Act, also known as the Banking Act of 1933. This act completely restructured America's banking system by separating commercial and investment banks.

This was crucial because at the time banks were using people's money to invest in the stock market, and that is what caused over five thousand banks to fail during the Great Depression. The commercial banks were now for

individual deposits and loans and investment banks were for sophisticated financial products for big U. S. Corporations. One of the most important ideals that transpired from the Banking Act of 1933 was the idea of the Federal Deposit Insurance Cooperation (FIDE). The FIDE is arguably the most important program that emerged from the New Deal.

The FIDE insured deposits up to five thousand dollars-?? the amount has mutinously increased since then. For the first time in history, because of the FIDE, citizens had a sense of security about the money they deposited into a bank. Today, the FIDE is still why people trust banks and don't frantically withdrawal money in times of crisis; they now insure up to two hundred and fifty thousand dollars. If the FIDE had not been created, banks would have likely become extinct because people would not have trusted them with their money.

The New Deal not only helped lift the United States out of the Great Depression, UT it drastically reformed the nation in many ways. Today, some of the most important and efficient programs in America are ones developed from the New Deal. Franklin D. Roosevelt and the New Deal saved America's banks and by extension the US economy. Without programs like FIDE, Glass-Steal and the Emergency Banking act, banks might not exist as we know them today. The New Deal improved the economy drastically and permanently changed America. The New Deals Lasting Impact on the U. S.