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## Britain to Leave European Union; Cameron Resigns; Markets Plunge

By DAN MCCUE

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(CN) - Britain voted to leave the European Union, touching off a full-scale constitutional crisis that toppled prime minister David Cameron and inspired Scotland's first minister to announce that a second referendum on independence was highly likely.

After the last votes were counted early Friday morning, 51.9 percent of British voters had opted to sever the nation's 43-year membership in the EU.

After a bitterly divisive referendum campaign, 72 percent of the more than 46 million Britons eligible to vote went to the polls, and the margin of victory was just a million votes.

Nigel Farage, leader of the U.K. Independence Party and a vocal champion of leaving the EU, declared after the results were certain that "dawn is breaking on an independent United Kingdom."

"This is a victory against big banks, a victory against big corporations and a victory against big politics," Farage said.

In the wake of the British vote, which is technically nonbinding, Euroskeptics called for similar referendums in Denmark, France and the Netherlands.

In addition, the Spanish government has called for joint sovereignty over Gibraltar.

Hoping to calm nerve in the immediate aftermath of the vote, German Chancellor Angela Merkel asked her EU member counterparts to move up the start of an already-scheduled EU summit to discuss the future and give counties "the opportunity to discuss ... calmly ... how we continue to implement our agenda."

That meeting is now scheduled for Saturday.

Also seeking to calm frayed nerves was the most prominent "leave" campaigner, Boris Johnson. Taking a somber tone unusual for the flamboyant former London mayor, he described the EU as a noble idea which was no longer right for Britain. He said the result in no way means the United Kingdom will be "less united" or "less European."

Even as he spoke, however, Scotland's First Minister Nicola Sturgeon said a second Scottish referendum on independence from the United Kingdom is now "highly likely." Scotland voted in 2014 to remain a part of the U.K. but that decision was seen by many as being conditional on the U.K. remaining in the EU.

Prime Minister David Cameron, who had led the campaign to keep Britain in the EU, said he would resign by October and left it to his successor to decide when to invoke Article 50, which triggers a departure from European Union.

"I will do everything I can as prime minister to steady the ship over the coming weeks and months," he said, "but I do not think it would be right for me to try to be the captain that steers the country to its next destination."

Article 50 of the EU treaties lays out a two-year process for a country to leave.

However, it's not the only route Britain and the EU can take to a divorce.

A second track would be to enter into complex negotiations on everything from cooperation on cross-border security and law enforcement to fisheries policy and trade, and then that would have to be ratified by more than 30 European, national and regional parliaments.

Also to be worked out will be how freely British-based professionals such as investment managers, accountants and lawyers will be able to work in the EU -- an open question that threatens London's position as one of the world's pre-eminent financial centers.

The UK hosts more headquarters of non-EU firms than Germany, France, Switzerland and the Netherlands put together.

"We believe this outcome has serious implications for the City and many of our clients' businesses with exposure to the U.K. and the EU," said Malcolm Sweeting, senior partner of law firm Clifford Chance. "We are working alongside our clients to help them as they anticipate, plan for and manage the challenges the coming political and trade negotiations will bring."

By law, nothing will fundamentally change about Britain's relationship with EU in the near term.

While Cameron said the "voter's decision must be respected," fulfilling its will can take anywhere from two years to a decade of negotiations, and completely severing the existing trade, business and political links between the United Kingdom and what would become a 27-nation bloc could take decades to complete.

Polls ahead of the vote had shown a close race, and as recently as Thursday afternoon the momentum had increasingly appeared to be on the "remain" side.

The result shocked investors, stock markets plummeted around the world, and central banks are warning of the onset of a global recession.

President Barack Obama responded to the outcome of the referendum with a statement that said, "The people of the United Kingdom have spoken, and we respect their decision."

"The United Kingdom and the European Union will remain indispensable partners of the United States even as they begin negotiating their ongoing relationship to ensure continued stability, security, and prosperity for Europe, Great Britain and Northern Ireland, and the world," the president said.

Both of the major party candidates vying to succeed the president also commented on the referendum.

Democrat Hillary Clinton said in the wake of the vote "Our first task has to be to make sure that the economic uncertainty created by these events does not hurt working families here in America."

"We also have to make clear America's steadfast commitment to the special relationship with Britain and the transatlantic alliance with Europe," the former secretary of state said. "This time of uncertainty only underscores the need for calm, steady, experienced leadership in the White House to protect Americans' pocketbooks and livelihoods, to support our friends and allies, to stand up to our adversaries,



and to defend our interests.

"It also underscores the need for us to pull together to solve our challenges as a country, not tear each other down," Clinton said.

As it happened, her Republican opponent, Donald Trump, is currently in Scotland on a two-day business trip to celebrate the opening of his newest golf resort.

In a new conference of the facilities front lawn, Trump said British voters "have taken their country back."

"They have declared their independence from the European Union and have voted to reassert control over their own politics, borders and economy," he said, vowing to that a Trump Administration would strengthen its ties with a "free and independent" Britain.

"The whole world is more peaceful and stable when our two countries — and our two peoples — are united together," he said.

But Trump also didn't miss an opportunity to liken the outcome of the vote to what he'd like to see happen in the U.S. in November.

"Come November," he said, "the American people will have the chance to re-declare their independence.

"Americans will have a chance to vote for trade, immigration and foreign policies that put our citizens first. They will have the chance to reject today's rule by the global elite, and to embrace real change that delivers a government of, by and for the people."

"I hope America is watching," he said of the vote to leave the EU.

Global markets But even as Trump spoke, the British vote to leave the EU was causing stocks to plunge in the US and around the world.

Many investor reacted by rushing to the safety of gold and U.S. government bonds as they wondered what will come next for Britain, Europe and the global economy.

U.S. stocks took far smaller losses than markets in Europe and Asia, but were still sharply lower in morning trading. The Dow Jones industrial average was down 378 points, or 2.1 percent, to 17,631 as of 10:55 a.m. It was down as much as 538 points earlier

The S&P 500 is on pace for its biggest loss since January, down 48 points, or 2.3 percent, to 2,064. The Nasdaq composite dropped 134 points, or 2.7 percent, to 4,775.

The Federal Reserve said it is carefully monitoring financial markets and cooperating with central banks overseas.

Britain's FTSE 100 plunged as much as 8 percent but recovered much of its losses later, falling 1.9 percent. The German index sank 5.6 percent and France's index tumbled 6.5 percent.

The pound hit its lowest level since 1985 before recovering slightly to trade at \$1.3648. That's still far below the \$1.4808 it traded at late Thursday in New York.

Oil prices fell sharply. Benchmark U.S. crude lost \$2.14, or 4.2 percent, to \$48 a barrel in New York. Brent crude, the international benchmark, fell \$2.29, or 4.5 percent, to \$48.62 a barrel in London.

The Bank of England said it had made contingency plans for a "leave" vote and promised to take action to maintain stability. It noted that it has 250 billion pounds (\$342 billion) in liquidity available for banks. "We are well prepared for this," the bank's governor, Mark Carney, said in a televised statement.

Japan's Nikkei 225 finished the wild day down 7.9 percent, its biggest loss since the global financial crisis in 2008. South Korea's Kospi sank 3.1 percent, its worst day in four years. Hong Kong's Hang Seng index tumbled 4.4 percent and stocks in Shanghai, Taiwan, Sydney, Mumbai and Southeast Asian countries were sharply lower.

Britain would be the first major country to leave the EU. With no precedent, the impact on the single market of 500 million people — the world's largest economy — is unclear.

Robin Whitlock, a British journalist who voted to stay in the EU, said Friday "There are some very emotional people in the UK at the moment."

"All of us 'remainers' are just totally devastated he said, adding "Most of my friends on Facebook are worrying about something or other in association with Brexit."

"Yeah, there are a lot of very worried people around here ... including me," Whitlock said.

The referendum showed Britain to be a sharply divided nation: Strong pro-EU votes in the economic and cultural powerhouse of London and semi-autonomous Scotland were countered by sweeping anti-Establishment sentiment for an exit across the rest of England, from southern seaside towns to rust-belt former industrial powerhouses in the north.

Cameron called the referendum largely to silence voices to his right, then staked his reputation on keeping Britain in the EU. Former London Mayor Boris Johnson, who is from the same party, was the most prominent supporter of the "leave" campaign and now becomes a leading contender to replace Cameron.

The vote also dealt a blow to the main opposition Labour Party, which threw its weight behind the "remain" campaign.

"A lot of people's grievances are coming out and we have got to start listening to them," said deputy Labour Party leader John McDonnell.

Indeed, the vote constituted a rebellion against the political, economic and social Establishment. All manner of groups — CEOs, scientists, soldiers — had written open letters warning of the consequences of an exit.

Trump likened the vote to the U.S. sentiment that has propelled him to the presumptive Republican presidential nominee, saying people in the United States and the United Kingdom are angry about similar things.

"People are angry all over the world," he said.

After winning a majority in Parliament in the last election, Cameron negotiated a package of reforms that he said would protect Britain's sovereignty and prevent EU migrants from moving to the U.K. to claim generous public benefits.

Critics charged that those reforms were hollow, leaving Britain at the mercy of bureaucrats in Brussels and doing nothing to stem the tide of European immigrants who have come to the U.K. since the EU expanded eastward in 2004. The "leave" campaign accuses the immigrants of taxing Britain's housing market, public services and employment rolls.

Those concerns were magnified by the refugee crisis of the past year that saw more than 1 million people from the Middle East and Africa flood into the EU as the continent's leaders struggled to come up with a unified response.

Mindful of the intense rhetoric, the mayor of London, Sadiq Khan, reached out to the 1 million Europeans in the capital and underscored that they are "very welcome here."

"We all have a responsibility to now seek to heal the divisions that have emerged throughout this campaign — and to focus on what unites us, rather than that which divides us," he said.

Cameron's efforts to find a slogan to counter the "leave" campaign's emotive "take back control" settled on "Brits don't quit." But the appeal to a Churchillian bulldog spirit and stoicism proved too little, too late.

The slaying of pro-Europe lawmaker Jo Cox a week before the vote brought a shocked pause to both campaigns and appeared to shift momentum away from the "leave" camp. While it isn't clear whether her killer was influenced by the EU debate, her death aroused fears that the referendum had stirred demons it would be difficult to subdue.



Authorities ranging from the International Monetary Fund to the U.S. Federal Reserve and the Bank of England have warned that a British exit will reverberate through a world economy that is only slowly recovering from the global economic crisis. The European Union is the world's biggest economy and the U.K.'s most important trading partner, accounting for 45 percent of exports and 53 percent of imports.

Associated Press writers Danica Kirka, Jill Lawless, Raphael Satter and Frank Jordans in London and Shawn Pogatchnik in Dublin contributed to this report.

Photo caption 1: European Commission President Jean-Claude Juncker wipes his brow before speaking during a media conference at EU headquarters in Brussels. (AP Photo/Virginia Mayo)

Photo caption 2:

Britain's Prime Minister David Cameron, accompanied by his wife, Samantha, speaks to the media in front of 10 Downing street, London, Friday, June, 24, 2016, as he announces he will resign by the time of the Conservative Party conference in the autumn, following the result of the EU referendum, in which the Britain voted to leave the EU. (AP Photo/Alastair Grant)

Photo caption 3:

Nigel Farage, the leader of the UK Independence Party, celebrates and poses for photographers as he leaves a "Leave.EU" organization party for the British European Union membership referendum in London, Friday, June 24, 2016. (AP Photo/Matt Dunham)

Photo caption 4:

British MP Boris Johnson leaves his home in London, Friday, June 24, 2016.

Photo caption 5: A teller counts ballot papers at the Titanic Exhibition Centre in Belfast, Northern Ireland, after polls closed in the EU referendum Thursday, June 23, 2016. (Liam McBurney/PA via AP)

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