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GREAT SCHISM

BRITAIN BREAKS WITH EUROPEAN UNION, TAKING ECONOMIC STABILITY WITH IT

What it means to Americans

Mortgage rates

1. Uncertainty over how the global economy will cope with the Brexit may cause the Federal Reserve to stay cautious and wait before raising interest rates this year. As a result, mortgage rates, which were projected to rise this year when it appeared the Fed would raise short-term rates, may fall further.

Savings

2. Brexit offers little relief for consumers who are tired of earning next to nothing for the money they have in the bank. At an average yield of 0.08 percent, the payouts on savings accounts are still pretty close to three-year lows, according to Bankrate. And with it now looking less likely that the Fed will raise short-term rates, savers should not expect those yields to increase substantially any time soon.

Summer vacation

3. There's a bright spot for Americans planning trips to England and other parts of Europe. The British pound plunged more than 10 percent after the decision, leading to the biggest discount against the dollar seen in roughly three decades.

— *Washington Post*

Griff Witte, Dan Balz and Ylan Q. Mui *Washington Post*

A day after British voters defied widespread warnings of economic and political peril should they cut ties with the European Union, the country reckoned with the consequences as markets tanked across the globe, the risk of another global recession escalated, the prime minister said he would resign and the United Kingdom felt the renewed pressure of a breakup. ■ The cascading developments, all within hours of the result of a deeply polarizing referendum, reflected a country shocked by its own decision. ■ The vote to leave the EU could mark one of the key turning points in modern British history,

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Obama: 'Special relationship' with Britain will survive

Greg Jaffe and David Nakamura *Washington Post*

President Barack Obama, who traveled to London in April to urge Britain to remain in the European Union, pledged on Friday that the nation's historic decision to leave the EU would not affect America's relationship with its closest ally.

"The people of the United Kingdom have spoken, and we respect their decision," Obama said in a brief statement.

Obama weighed in heavily on the side of Britain remaining in the European Union when he visited London in April, warning that if Britain severed ties with the EU, it would be at the "back of the queue" for a trade deal with America. "There might be a U.K.-U.S. trade agreement, but it's not going to happen anytime soon because our focus is in negotiating with a big bloc, the European Union," Obama said in the spring. He said that a decision by Britain to leave would

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TRANSPORTATION

Rail unions fail to extend NJ Transit strike deadline

Larry Higgs *For The Star-Ledger*

Unions representing NJ Transit locomotive engineers and conductors failed to extend a strike deadline on Friday evening, putting tens of thousands of commuters at risk of rail service disruptions next week.

The National Mediation Board, which supervises railroad labor negotiations, asked the agency and two rail unions on Tuesday to extend their no strike/no lockout pledge until July 16. NJ Transit had earlier agreed to the deadline.

"The unions representing locomotive engineers and conductors have ignored NJ Transit's agreement to extend their 'cooling off period' until July 16," said Nancy Snyder, an NJ Transit spokeswoman. "NJ Transit agreed, but the unions have not responded."

NJ Transit's negotiator gave the unions a deadline of Friday to respond, after agreeing to the National Mediation Board's request. Union officials could not be reached for comment on Friday evening.

A 60-day cooling off period ends on June 29 for conductors

and June 30 for engineers.

If there is no agreement and a strike or lockout occurs, Congress could impose its own settlement under the federal Railway Labor Act. Such a settlement would be proposed as a bill.

Congress is scheduled to take its summer recess starting on July 18 and will not return until after Labor Day.

Officials of the Brotherhood of Locomotive Engineers and the Smart Transportation Division, which represents

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