

GLOBAL SHOCKS AFTER UPHEAVAL IN BRITAIN

Investors Gripped by a Panic Last Seen in '08

By PETER S. GOODMAN

LONDON — First came the shock. Then fear seized world markets. As frenzied selling accelerated in Tokyo, Hong Kong and London, unfathomable amounts of wealth vanished in a matter of hours.

In crudest outlines, the panic that followed Britain's vote to quit the European Union traced the 2008 collapse of Lehman Brothers, an event that turned an unfolding financial crisis into the bleakest economic downturn since the Great Depression. The similarities hung uneasily over markets on Friday, presenting a grim question: How ugly might things get?

As economists pored over the rout like accident investigators dispatched to the scene of a crash, most offered assurances that a Lehman-style financial panic was not unfolding. In that debacle, investors indiscriminately fled all assets connected to the disastrous American housing bubble. Mortgages had been carved into exotic investments and peddled around the globe, meaning they lurked everywhere. Distrust spread like a virus.

This time, the source of the trouble is both identifiable and relatively confined. Britain and the 27 remaining members of the European Union face significant uncertainty in their economic and financial dealings as they embark on complex divorce proceedings.

Fears that drawn-out negotiations could disrupt trade prompted investors to push their money toward safety. As night fell in London, the British pound was down more than 7 percent. Stock markets plummeted around the globe; the Standard & Poor's 500-stock index closed down 3.6 percent in New York. London closed down a similar margin, and Tokyo surrendered more than 4 percent.

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HANNAH MCKAY/EUROPEAN PRESSPHOTO AGENCY

A taxi driver in London on Friday, a day after Britons voted to leave the European Union. The withdrawal process may take years.

Cameron to Quit as E.U. Aims for Rebirth

By STEVEN ERLANGER

LONDON — Britain's startling decision to pull out of the European Union set off a cascade of aftershocks on Friday, costing Prime Minister David Cameron his job, plunging the financial markets into turmoil and leaving the country's future in doubt.

The decisive win by the "Leave" campaign exposed deep divides: young versus old, urban versus rural, Scotland versus England. The recriminations flew fast, not least at Mr. Cameron, who had made the decision to call the referendum on membership in the bloc to manage a rebellion in his own Conservative Party, only to have it destroy his government and tarnish his legacy.

The result of the so-called Brexit vote presented another stiff challenge to the leaders of the other leading European powers as they confront spreading populist anger. It was seized on by far-right and anti-Brussels parties across Europe, with Marine Le Pen of the National Front in France calling for a "Frexit" referendum and Geert Wilders of the Party for Freedom in the Netherlands calling for a "Nexit."

European officials met in Brussels to begin discussing a response and to emphasize their commitment to strengthening and improving the bloc, which will have 27 members after Britain's departure.

"At stake is the breakup, pure and simple, of the union," Prime Minister Manuel Valls of France said, adding, "Now is the time to invent another Europe."

Germany urged calm. "Today marks a turning point for Europe," Chancellor Angela Merkel said. "It is a turning point for the European unification process."

Financial markets swooned as it became apparent that the Leave forces would prevail, with the

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Strength of Populist Revolt Is Felt on Both Sides of the Atlantic

By JIM YARDLEY

LONDON — From Brussels to Berlin to Washington, leaders of the Western democratic world awoke Friday morning to a blunt, once-unthinkable rebuke delivered by the flinty citizens of a small island nation in the North Atlantic. Populist anger against the established political order had finally boiled over.

The British had rebelled. Their stunning vote to leave the European Union presents a political, economic and existential crisis for a bloc already reeling from entrenched problems. But

the thumb-in-your-eye message is hardly limited to Britain. The same yawning gap between the elite and mass opinion is fueling a populist backlash in Austria, France, Germany and elsewhere on the Continent — as well as in the United States.

The symbolism of trans-Atlantic insurrection was rich on Friday: Donald J. Trump, the presumptive Republican presidential nominee and embodiment of American fury, happened to be visiting Britain.

"Basically, they took back their country," Mr. Trump said Friday morning from Scotland, where he was promoting his golf courses.

Rebellious Voters Lash Out Against Elites

"That's a good thing." Asked where public anger was greatest, Mr. Trump said: "U.K. U.S. There's plenty of other places. This will not be the last."

Even as the European Union began to grapple with a new and potentially destabilizing period of political uncertainty, the British vote will also inevitably be seized upon as further evidence of deepening public unease with the

global economic order. Globalization and economic liberalization have produced winners and losers — and the big "Leave" vote in economically stagnant regions of Britain suggests that many of those who have lost out are fed up.

Time and again, the European Union has navigated political crises during the past decade with a Whac-a-Mole response that has maintained the status quo and the bloc's lumbering forward momentum toward greater integration — without directly confronting the roiling public discontent beneath the surface.

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Will Pullout Echo in U.S. Election? Not So Fast

By JONATHAN MARTIN and ALEXANDER BURNS

WASHINGTON — Britain's vote to withdraw from the European Union sent a shudder through the capital on Friday as the forces of economic nationalism and working-class fury forced American political leaders to wonder: Could it happen here?

Driving the "Brexit" vote were many of the same impulses that have animated American politics in this turbulent election year: anger at distant elites, anxiety about a perceived loss of national sovereignty and, perhaps most of all, resentment toward migrants and refugees.



CARLO ALLEGRI/REUTERS

Donald J. Trump said Britain's vote would help his golf resort.

These are the themes that Donald J. Trump harnessed during the Republican presidential primaries to explosive effect, and that he aims to wield to his advantage again in his race against Hillary

Clinton. Mr. Trump endorsed Britain's abandonment of the European Union and hailed the vote during a stop in Scotland on Friday.

Veteran Republican and Democratic strategists say that Mr. Trump, and to a lesser extent, Senator Bernie Sanders in the Democratic contest, represent an American echo of the inward-looking politics that have swept across Europe in recent years.

"There's a fundamental issue that all developed economies have to confront, which is that globalization and technological changes have meant millions of people have seen their jobs marginalized

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Young Britons Feel Left Out as Generations Split

By CLAIRE BARTHELEMY and KIMIKO DE FREYTA-TAMURA

LONDON — As the bands played on at the Glastonbury music festival in Somerset, England, Lewis Phillips and his friends drowned their sorrows in song and alcohol.

"We're the ones who've got to live with it for a long time, but a group of pensioners have managed to make a decision for us," Mr. Phillips, 27, said on Friday of Britain's decision to withdraw from the European Union. He said he was now "terrified" about the country's economic prospects.

Louise Driscoll, a 21-year-old barista in London, spent most of



ANDREW TESTA FOR THE NEW YORK TIMES

Watching results at a pub in north London on Thursday.

the day crying. "I had a bad feeling in my gut," she said of Britain's referendum on Europe. "What do we do now? I'm very scared." Her parents both voted to leave the bloc, she said, and "will probably

be gloating."

The vote to leave the European Union exposed tensions and fault lines in British society, but perhaps none more gaping than its generational divisions.

According to pre-election surveys by the polling organization Survation, 57 percent of Britons between the ages of 18 and 34 who intended to take part in Thursday's referendum supported remaining in the bloc, while an identical proportion — 57 percent — of Britons over 55 supported the opposite: leaving Europe behind.

For those under 25, the desire to remain in the union was especially high: Three-quarters

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JOHN MOORE/GETTY IMAGES

The government says its top priorities for deportation include foreigners who pose a threat to national security or public safety.

Low-Priority Immigrants, Still Swept Up in U.S. Deportation Net

By JULIA PRESTON

WASHINGTON — Three agents knocked on the door of a modest duplex in a Wisconsin town just after dawn. The Mexican immigrant living on the ground floor stuck his head out.

They asked his name and he gave it. Within minutes José Cervantes Amaral was in handcuffs as his wife, also from Mexico, silently watched. After 18 years working and living quietly in the

United States, Mr. Cervantes, who did not have legal papers, rode away in the back seat, heading for deportation.

It is a routine that continues daily. The Supreme Court on Thursday effectively ended initiatives by President Obama that would have given protection from deportation to more than four million immigrants in the country illegally, most of them parents of American citizens.

Mr. Obama showed his frustration with the decision, saying his goal was to help immigrants who had raised families here and helped the country with their work. The president said immigrants who might have qualified for the programs would still be safe from deportation.

Still, deportations continue, thousands every week.

In November 2014 when Mr. Obama first announced the protection programs, he also set new priorities for enforcement. Since then, immigration authorities say, their focus is on removing convicted criminals and foreigners

who pose national security threats. But the administration's priorities also include deporting migrants from Central America, including children, who came in an influx since 2014. And immigrants who committed minor offenses — or none at all — are often swept up in the operations.

After Thursday's Supreme Court decision, the president's protections are gone, but the enforcement plan remains in effect. It is part of a particularly edgy

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Trouble at Rio Doping Lab

The world's antidoping agency has suspended the lab that was to handle drug tests at this summer's Olympic Games in Rio de Janeiro. PAGE D1

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Author of a Vietnam Classic

Michael Herr, who wrote "Dispatches," a glaringly intense and personal account of being a correspondent during the Vietnam War, was 76. PAGE A18

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Baroque Meets Psychedelic

Jimi Hendrix's London apartment was next to a house where the composer Handel once lived. The Handel & Hendrix museum celebrates both. PAGE C1

THIS WEEKEND

Republicans Face the Nation

In The Times Magazine, Mark Leibovich looks at how Republican leaders are contending with Donald Trump and the identity crisis rolling their party.

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Gail Collins

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Paul, former Verizon customer

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