What Does the UK's 'Leave' Vote Mean for the US?

Americans woke up Friday to an utterly different world.

The British voted Thursday night to leave the European Union, which will now have to be completed—as gracefully as possible—within the next two years. British Prime Minister David Cameron, as a result, tendered his resignation, to happen sometime in the next three months—and the financial markets are in chaos.

But what does this mean for Americans?

Once the results were firmly established, shortly after midnight EDT, American political leaders began weighing in on the matter. The White House issued a statement that said President Obama had been briefed and that he would be speaking with Cameron "soon."

"The people of the United Kingdom have spoken, and we respect their decision," Obama said later Friday morning. "The special relationship between the United States and the United Kingdom is enduring, and the United Kingdom's membership in NATO remains a vital cornerstone of U.S. foreign, security, and economic policy.

"Our relationship with the European Union is as well. It has done so much to promote stability, stimulate economic growth, and foster the spread of democratic values and ideals across the continent and beyond.

"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 had previously said the U.K. would "move to the back of the queue" (back of the line) for transatlantic trade deals, if it voted to leave the E.U. Those comments were blasted by pro-Leave leaders, as well as by Republicans in Congress, who had taken a decidedly different view on the referendum.

"I respect the decision made by the people of the United Kingdom," Speaker of the House Paul Ryan (R-Wis.) said. "The U.K. is an indispensable ally of the United States, and that special relationship is unaffected by this vote."

Former Secretary of State Hillary Clinton had urged Britons to remain in the E.U., but hadn't taken as strident a view of it as Obama. While refusing to threaten the U.K. if its voters chose to Leave, Clinton did say she preferred to see a "strong United Kingdom in a strong European Union."

The Democratic presidential nominee-in-waiting has yet to respond to the vote. Her Republican counterpart, however, has been far less silent.

"The people of the United Kingdom have exercised the sacred right of all free peoples," he said early Friday morning while visiting one of his newly renovated golf properties in Scotland. "They have declared their independence from the European Union and have voted to reassert control over their own politics, borders and economy.

"A Trump Administration pledges to strengthen our ties with a free and independent Britain, deepening our bonds in commerce, culture and mutual defense. The whole world is more peaceful and stable when our two countries—and our two peoples—are united together, as they will be under a Trump Administration.

"Come November, 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, it will soon be time to believe in America again.”

It’s going to be a rough start financially for the U.S. on Friday, though. Stock market futures expect to see a 650-point loss in the Dow Jones Industrial Average when the markets open this morning. Some analysts are concerned it could trigger another American recession, as well.

A 650-point drop would be the sixth-worst dive in Dow’s history. The five other worst days came during the 2008 “Great Recession” and the 2001 “Dot Com Bubble” burst. For their part, British banks have attempted to provide some stability to their own markets, but the impact will be felt globally.

This is due to the influence of derivatives and hedge funds, many of which were likely expecting a Remain vote on Thursday. In actuality, U.S. trade with the U.K. is only about 3 percent of GDP, so a British recession shouldn’t have a huge impact on Americans, but moves by large numbers of hedge funds to capitalize on the new volatility could actually lead to a new American recession, as well.

The E.U. is now on life support. Following the results Thursday night, France, Italy, and the Netherlands have all called for their own exit referenda. Geert Wilders, a Dutch Member of the European Parliament who is currently running for Prime Minister in his home country, said he will force a vote if he wins the upcoming general election.

“We want be in charge of our own country, our own money, our own borders, and our own immigration policy,” he said. “As quickly as possible the Dutch need to get the opportunity to have their say about Dutch membership of the European Union.

“It is time for a new start, relying on our own strength and sovereignty … If I become prime minister, there will be a referendum in the Netherlands on leaving the European Union as well. Let the Dutch people decide.”

The U.K. could be in trouble—not just financially—as well. Scotland, which voted overwhelmingly Remain on Thursday night, is already demanding its own referendum on independence. Scottish voters narrowly rejected a similar referendum in 2014, but retained the right to a new vote if a “significant and material change” in circumstances occurred.

Scottish First Minister Nicola Sturgeon said the Leave result is “democratically unacceptable” to Scotland.

“I intend to take all possible steps and explore all possible options to give effect to how people in Scotland voted—in other words to secure our continuing place in the EU, and in the single market in particular,” she said from her official residence, Bute House, early Friday morning. “I think an independence referendum is now highly likely but I also think it is important that we take time to consider all steps and have the discussions, not least to assess the response of the European Union to the vote that Scotland expressed yesterday.”

While other political leaders in Scotland said another independence referendum would not be in the Scotland’s best interests, many concluded it may still happen. {eoa}