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‘Short term’ might turn out to be rather long

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Sir, David R Cameron (Letters, June 16) observes that non-European British trade has been on the rise these last 15 years, because of rising demand, while the percentage of its trade with the EU has shrunk correspondingly. He further observes that Brexit would no doubt have negative effects but only in the short term, and so would not mean “the end of the world”.

It would be helpful to know what these effects might be and how long the short term might last. Brexit would likely cause a devaluation of the pound, which all things remaining equal could increase British trade by making goods cheaper for foreigners to buy. But could Britain count on non-EU trading partners to stand by and refrain from increasing duties commensurate with the fall in prices, in other words increasing protection of domestic products that compete with their British counterparts? It seems to me that they may very well do so.

Under Brexit, the interval during which British trade would take place entirely outside the EU market might last five to seven years, until a satisfactory trade agreement can be negotiated with the EU. That’s rather a long short-term. The risks British trade would run would seem considerable. At present the 44 per cent of British trade with the EU, cited by Professor Cameron, provides a kind of foundational stability that enables British trade to ply other markets. Remove that cushion and trade fluctuations under the new circumstances of Brexit could be volatile indeed.

The Remain campaign might of course advertise the advantages of continued EU membership, as Prof Cameron suggests, but it is not wrong for it to emphasise the very considerable risks of withdrawal.

Albion M Urdank

Los Angeles, CA, US

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