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Washington Conference: The Canadian Press reported in part from Washington this morning as the three-power economic conference was about to open:

Washington, September 6 -- (CP) -- Douglas Abbott, Canadian Finance Minister, repeated today his belief that "substantial headway" will be made this week toward solution of Britain's economic crisis.

He warned, however, that nobody should expect a "miracle" or even a "complete answer."

This remark, at a press conference in the Canadian Embassy, ties in with a general belief that some stop-gap measure is the best that can be hoped for as a result of the long-heralded Anglo-Canadian-American talks starting tomorrow.

In reply to a question, Abbott said failure to find a solution to the British problem would bring "very grave consequences" both politically and economically.

He steered clear of questions about Canada's attitude toward suggestions that Britain devalue the pound.

Abbott said "it would be very helpful" if the United States would relax present Marshall Plan restrictions to permit Britain to spend Marshall Plan money wherever she wants.

Under congressional restrictions, Marshall Plan money devoted to farm products must be spent in the United States, if the United States has a surplus of such products.

Abbott explained that if the restrictions are lifted these funds could be used to buy such products as Canadian wheat, cheese and other supplies, and thereby enable Canada to pay for its essential imports from the United States.

Abbott hinted that Canada might have to cut back Canadian imports from the United States unless some such way is found to assist Britain.

"We won't be in a position to buy if our customers don't pay," he said.

However, he wanted to go on record as expressing "the pious hope" that it will not be necessary to curtail imports from the United States into Canada....

M.F.N. Treatment For Austria: The Secretary of State for External, Mr. Pearson, announced on September 6 in Ottawa that Canada will extend most-favoured-nation tariff treatment to Austria with effect from September 7, 1949.

This means that henceforth Austrian products imported into Canada will not be subject to duties or charges higher than those levied on products of third countries. Similarly, Canadian products going into Austria will enjoy treatment equal to that given by Austria to the products of other countries.

Canada's exports to Austria in 1948 amounted to $3,109,835 and included such items as canned fish and meat, leather and powdered milk. Canadian imports from Austria include such items as textiles, precious stones and scythes.

The new arrangement will not affect any advantages accorded by Canada exclusively to other parts of the Commonwealth.

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