West Germany - Czechoslovakia: West Germany continues to exercise extreme caution in its efforts to improve relations with Czechoslovakia.

A plan to set up a West German – Czechoslovak study commission on the Munich Agreement has been abandoned, on the grounds that it is politically too difficult for the Czechs to do anything in common with West Germany.

The commission was designed to resolve differences over the agreement and thereby to remove an impediment to the eventual normalization of relations. Prague has insisted on a renunciation of the agreement ab initio, but Bonn has been willing to state only that it is no longer valid. Bonn would content itself for the time being with a unilateral study.

Also exhibited concern that foreign office state Secretary Lahr's visit to the Brno trade fair in early September, at Czechoslovak invitation, would provide the Soviets with another opportunity to object to West German "meddling." Moscow has seized on recent visits of prominent West Germans for this purpose.

Re-emphasizing West German interest in Czechoslovakia, government is prepared, without taking initiatives of its own, to do whatever the Czechs believe the traffic will bear politically to expand contacts and improve economic relations. It is clear, however, that West German officials are reconciled to the likelihood of little immediate overt progress in the building of closer ties.