A DISTRICT CAPITAL IS LOST BY SAIG

AUG 8 1974 Town Southwest of Da Nang Overrun - Chances of Its Recapture in Doubt

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By DAVID K. SHIPLER

SAIGON, South Vietnam, Aug. - Communist troops overran a Government district capital in the hills southwest of Da Nang this morning, the Saigon military command announced.

The town of Thuong Duc, 24 miles southwest of Da Nang, came under heavy shelling yesterday afternoon, the command said, then was engulfed in an all-night battle that ended this morning in hand-to-hand comba in the sctreets. At 11 A.M. radio contact was lost.

This made the second district capital-equivalent to a county seat—taken by the Communists since the cease-fire was signed in Paris in January last year. The other—kien Duc, 100 miles northeast of Saigon—was lost in December, then retaken three days later days later.

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But experienced military men here expressed doubt that the Government could recapture Thuong Duc as quickly, if at all. It lies in a narrow valley flanked by hills that provide only one route of access for Government troops—a road from the east that would require a frontal assault would require a frontal assault against the North Vietnamese

The Question of Supplies

Furthermore, the Commu-Furthermore, the Communist's newly built road network from North Vietnam runs to within nine miles of Thuong Duc, where it connects with a Government road that winds along the river valley into the town from the west. This makes resupply easy for the Communists, some military experts noted. noted.

A spokesman for the Viet-cong's delegation in Saigon said that no report had been received yet on the fate of Thuong Duc, so thre could be no comment.

The loss of the town was the most serious Governmet defeat since heavy fighting erupted in the area in mid-July. Al-though there had been virtually no severe combat there since the cease-fire was signed, the North Vietnamese suddenly took two Government positions, moved troops eastward toward Route 1, attacked several district towns and fired rockets at Da Nang air base, from which fighter planes were conducting air strikes.

Meanwhile, 100 miles to the south, the communists have cut Route 1, the country's vital

north-south link.

Some foreign military observers said they believed the Communist attacks have been logical military responses to the Government's sweeps through Vietcong-held areas in various parts of the country, including the Que Son Valley, a long-contested region south-east of Thuong Duc.

Since the cease-fire, for example, the Government has retaken a number of towns along taken a number of towns along the central coast that had been in Vietcong hands since their 1972 offensive. Some military men think the Communist at-tacks now are aimed at keep-ing the Government army so busy that it must abandon such sweeps.

"The Government has got to go out into these valleys, like Que Son, to gain farmland," one foreign military observer explained. "Some areas they want to resettle are right in the middle of Communist base middle of areas."

Saigon has put a top pri-ority on its effort to move all its refugees from camps onto resettlement sites where they have land to farm, and some resettlement areas have reportedly come under Communist attack.

Recent intelligence reports indicate the the Cietcong are somewhat concerned about the sparce population in much of their territory, and some dip-lomats here said they believed the recent attacks may be part-ly an effort to take populated farmland, then invite or force civilians to move into Vietcongcontrolled areas.

There are unconfirmed reports that during the fighting southwest of Da Nang, the Communists have abducted thousands of civilians. There have also been accurate that thousands of civilians. Inere have also been accusations that the Government—contrary to the Paris agreement's guarantee of freedom of movement—has refused to allow civilan refugees to return to Vietcong-held wills age if they so choose. villages if they so choose.

The diplomatic community in Saigon is inclined to discount the Government's contention that a general offensive is under way, preferring the asessment that North Vietnam is playing a waiting game, concentrating on its own reconstruction, but grinding away at the South Vietnamese Government in the hope that it will ultimately collapse.

U.S. Is Concerned

WASHINGTON, Aug 7 (Reuters—A White House spokesman said today the United States remained concerned about communist attacks in South Vietnam and urged that violations of the cease-fire ac-cord be halted.