The open break in the Philippine Armed Forces is the latest and most serious institutional rupture in the Philippine body politic. Major elements of the Philippine military now join with a substantial portion of the middle class, the Catholic Church and the business community in opposition to the rule of President Marcos. The mandate lost by the seriously flawed election is now complicated by the threat of violence and massive bloodshed. Accordingly, after consultation in the National Security Planning Group, the following guidance and decisions are to be implemented. (S)

-- Our objectives in the Philippines are to prevent violence between the parties concerned and facilitate a peaceful transition. (S)

-- A message will be sent from me to President Marcos that conveys our new evaluation of conditions in the Philippines, requests his views on what scenario he envisions for a transition to a new government, conveys that we would not be able to continue military assistance if violence is employed against the Armed Forces and offers our readiness to facilitate the safety and medical care of him, his immediate family and close associates in the United States. (S)

-- We should strive in this situation to preserve the dignity of President Marcos as much as possible. (S)

-- Ambassador Habib should return to the Philippines and recontact the major actors in the public and private sectors to enhance our ability to influence a peaceful transition. (S)

-- We should enlist the support of the Japanese Government in our efforts. (S)