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Eric J. Gruber

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Eric J. Gruber

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CHAPTER ONE

INTRODUCTION:
RELATIONS WITH GREAT BRITAIN BEFORE THE JAY TREATY

In the early 1790s, problems with Great Britain dominated American foreign policy. The United States had several difficulties with respect to Great Britain. The most important of which were conflicts having to do with British retention of the northwest posts and territory ceded to the United States by the Treaty of Paris (1783), and the trade policies of the British Empire both before and during the Wars of the French Revolution. These problems became so great in 1794 that they almost led to war, and it was this war scare which prompted President Washington to send John Jay to London for talks with Lord Grenville, the British Foreign Secretary.

Both nations were highly motivated to avoid war. Britain was at war with the French Republic, and could not afford a war in two hemispheres. The United States could not risk losing its best trading partner at such a crucial time; it desperately needed revenue to gain a measure of fiscal security after the chaos of the Articles of Confederation. Both nations needed a stabilization of relations, and this came with the Jay Treaty.
Although both issues contributed equally to the war scare of 1794, the crisis created by British retention of the posts was the least partisan. Both Federalists and Republicans agreed that the British had no right to retain the posts. To be sure, the two factions disagreed on the methods of dealing with the problem, but the retention of the posts was a source of embarrassment for the entire nation.

According to the Article VII of the Treaty of Paris (1783), the British were to evacuate posts and garrisons in American territory "with all convenient speed." However, by 1793, the British had not yet given them up and there were no plans to do so. The official British reason for retention was that the United States had not yet complied with the treaty, in that debts to British creditors had not been paid and loyalists were still being harassed by the individual states.

These were legitimate British complaints during the Confederation era. At that time, the central government did not have the power to force the states to pay debts owed to British citizens, as treaties were not considered law of the land. Also, because the states were not required to send revenue to the central government, it did not have the money to pay the debts itself. The loyalist issue was similar in
that the Confederation government could not force the states
to compensate loyalists for seized property, nor could it
stop them from harassing loyalists in other ways, such as
illegal prosecution. The actions of the states were in
direct violation of the fifth and sixth articles of the peace
treaty. 

An example of American infractions was a complaint sent
to Lord Grenville by nineteen loyalists, claiming that the
American states passed laws restricting their right to full
compensation. The loyalists reported that the courts had
classified them as American citizens, instead of British
subjects, because the treaty did not apply to American
citizens. The complainants stated in the letter that they
had never accepted American citizenship, and therefore could
not be classified as if they had. 

The debt issue could have been solved quickly after the
Constitution went into effect in 1789. The federal
government had the power to collect revenue from the states,
and it could also declare treaties the law of the land,
meaning that all states and citizens had to comply with them.
With the increased revenue, the central government would have
been able to pay British debts in a lump sum to the British
government. Also, the American courts became just forums for
British creditors after the Constitution. 

The American government also believed that the British
had broken the treaty. The Americans had long complained that British troops took Negro slaves off American soil in violation of the treaty. This led Jefferson and the British minister George Hammond to argue over which nation broke the treaty first. Hammond asserted that the loyalists had been persecuted and no effort had been made by the American government for their relief, as stipulated in the treaty. Jefferson countered with the slave issue and then went on to argue that the United States government was obligated only to recommend to the states that they pay compensation to loyalists. It had done this, and therefore Jefferson contended it did not break the treaty in this area.

The American government had the stronger case. Jefferson demonstrated in his discussions with Hammond that the British had broken the treaty by taking slaves. Furthermore, it could now provide a guarantee that there would be "no lawful impediment" to debt payments or loyalist compensation for confiscations during the war because of the increased powers of the central government. In short, the United States had fulfilled its obligations under the treaty. There was never a promise that British creditors would have their money by a certain date; the creditors' only guarantee was that they would have fair recourse in seeking payment. But the British continued to hold the posts despite the new federal government's power to enforce the treaty.
The British claimed that the Americans still had not complied with the treaty, especially in the area of loyalist impediments and confiscations. They apparently were not going to turn the posts over until all debts were paid and loyalist claims handled, when the British could have turned the posts over in 1792 or 1793 knowing that the claims could be handled in a fair manner under the Constitution. Knowing that the disposition of all these cases could take years, even under the new government, the British must have had other reasons to retain the posts for such an extended period of time.

The British government faced many problems in the Northwest Territory after 1783. The Indians felt abandoned by the British after the treaty, the Canadians depended on the lucrative fur trade for income, and they also had a sense of anxiety about both the Americans and the Indians. They were not pleased that the British government sacrificed their security and livelihood in the Treaty of Paris. The government in London realized this, and knew that more problems would be created by turning the posts over to the Americans than if they were kept. This policy is clearly stated in the following passage, written by Lord H.:

I have only to observe that as these posts are of great service in securing the fidelity and attachment of the Indians, and as they afford to Great Britain the means of commanding the navigation of the Great Lakes, and the
communication of the said lakes with the River St. Lawrence, they are certainly of great importance to the security of Canada, and to the interests of this country, both in a commercial and political view. It is to be wished therefore they should remain in His Majesty's possession, if the conduct of the United States should continue to justify this measure on the part of Great Britain..."

The official British reasons for retention, although valid at the time, were clearly not the causes of retention. They were very much concerned with a possible Indian uprising, and the commercial interests of Canada."

The British solution to its problems in the Northwest Territory was the concept of the Neutral Indian State. The British hoped to convince the American government to give up the territory ceded to them by the treaty. The policy stipulated that the land would not become a part of Canada, but rather it would be turned over to the Indians of the Six Nations. The forts would be turned over to them as well. Free fur trade would be guaranteed to both the United States and Britain, and neither British nor American citizens would be allowed to acquire or retain land in this state."

This project satisfied a number of British needs. First, it protected the Canadian fur trade by insuring that the traders would have full access to the territory. The Canadian's security with respect to the Indians would also have been made more secure, in that the Indians would have been appeased and once again convinced that the British were
interested in their needs. The British would have de facto control of this state, which made the plan basically a retrocession of the 1783 territory back to Great Britain. Great Britain hoped to promote this neutral state plan by offering to mediate the problems that the United States was having with the Indians in the territory."

Needless to say, the American government reacted coolly to any offer of mediation that Hammond made. He first broached the subject with Alexander Hamilton, with whom he had developed a close relationship. Hamilton basically told him that the government could not accept mediation as long as Britain still had possession of the posts. Lord Grenville, despite this rejection, ordered Hammond to continue to press the concept if there was opportunity. He thought that the Americans would consider the matter further because of General Arthur St. Clair's recent defeat. But once again, Hamilton told Hammond the proposition was entirely unacceptable. The Indian Question was viewed as a purely American problem, and the United States government interpreted any offer of mediation by the British as an intrusion on American sovereignty. Also, the British government was not a disinterested party, because they still held the posts and were concerned about the fur trade. It was clear to the American government that the British would not be neutral mediators.
After the double rejection by Hamilton, Hammond decided that it would be useless to talk with Jefferson about it, as he would be less receptive than Hamilton, and much more suspicious of British motives. Grenville also agreed that the project had gone as far as it could for the time being, and he decided to suspend the idea.

After 1792, however, the posts issue become relatively minor to the British foreign office because of the radicalization of the French Revolution, but it remained an issue of importance to the United States. Lord Grenville's energies were devoted to a possible war with France, which began in 1793. British officials in North America were left without real guidance from London, and the situation stood simmering until 1794, when the problem, along with the infringement of neutral rights, almost created war. It is important at this point to discuss some of the trade issues that also contributed to the war scare of 1794.

Trade Problems

If there was one issue that caused as much trouble as the Northwest Territory did in Anglo-American relations before 1795, it was trade. America, while a colony, had enjoyed many maritime rights under the British mercantile system. It could exchange goods with and carry goods to and
from other British colonies with relatively few restrictions, except for British regulations against colonial manufactures.

After the War of Independence, however, the British began to treat the United States like any other foreign nation. This meant that the American carrying trade to Britain and its colonies virtually ended. Shipping was a major industry in Great Britain, and the British did not want a foreign nation shipping goods to its colonies. It was a basic principle of the mercantile system. Britain also did not want the British West Indies purchasing goods from the United States which could be bought from Canada, because another key principle of mercantilism was that currency should be kept circulating within the "family."

American merchants and shippers, however, were accustomed to having the right to trade with Britain and its colonies, almost without restriction. The American trading and shipping infrastructure had been built and maintained by these mercantile policies. After the war, the number of items that American merchants could sell to British subjects and territories was greatly reduced, and goods had to be shipped in British bottoms. This, logically enough, was a great blow to American commerce, especially shipping. Many Americans began complaining.

The figure who led the fight against the British system was James Madison, early America's great economic
nationalist. He complained that the British depended on the United States for necessities, such as foodstuffs, and yet the Americans depended on nothing from the British. His viewpoint is clearly stated in the following passage:

It might be regarded... that, where one nation consumed the necessaries of life produced by another, the consuming nation was dependent on the producing one. The United States were in the fortunate situation of enjoying...these advantages over Great Britain. They supply a part of her dominions with the necessaries of life; they consume superfluities which give bread to her people in another part."

As Madison phrased his comments, they made sense. Britain and its colonies did indeed depend on the United States. But in the early 1790s, the United States depended on Britain for one very important commodity—revenue. A major portion of Hamilton's financial plan involved revenue gained from import taxes. The single best source of this revenue was British shippers and merchants sending their goods to the United States. Earlier in the same address which Madison made to Congress, he claimed that American shippers and merchants would benefit from decreased trade with Great Britain, because trade and shipping would increase with other nations. But such an increase would probably not be enough to offset the decrease. The Americans and the British already had a system of trade developed. The British had a large empire, in which many people had to be fed, and the
Americans had a huge appetite for British manufactured goods. This system could not be changed quickly. France, Holland, and Spain did not have the huge need for American exports that the British did. If the American trade system attempted to change its focus at this critical time, exports would decrease, import revenues would dwindle, and Hamilton’s financial plans would collapse. The United States needed British trade, despite its disadvantages.24

Madison had also hoped that by decreasing American dependence on British manufactures, America’s tiny manufacturing base would be stimulated.25 His ideas again cannot be faulted on the surface; the growth of American manufacturing would be beneficial. But manufacturing needs developmental capital, and in a nation that primarily sells raw materials to other nations, this capital must come from the trade of these raw materials. The majority of this capital would come from British Empire, America’s best customer. As mentioned above, only Britain had the capacity to buy as much as the Americans needed to sell.

Madison tried to retaliate against British trade practices with various discriminatory proposals during the early 1790s. Essentially, these proposals centered on extra import duties which would be levied on those nations that did not have a commercial treaty with the United States, which meant Great Britain.26 He first attempted to pass a
discriminatory bill in April of 1789. He proposed that the
ships of countries not in treaty with the United States would
be charged an extra tonnage duty. He primarily wanted to
retaliate against the British navigation laws, but he also
hoped that the extra tonnage duty would make the British re-
exportation of American goods in Europe unprofitable, leaving
it for American merchants. The measure passed the House,
but the Senate, which was dominated by the Hamiltonians,
weakened the bill. The discriminatory nature was removed,
leaving a fifty cent per ton duty on foreign ships and six
cents per ton on American shipping. In addition, a ten
percent reduction in the import duty was given to foreign
goods shipped on American ships.

The commercial interests, led by Hamilton, recognized
the necessity of the British trade despite its unfairness.
The merchant class depended on it and the government needed
the revenue. There was a very real fear that Britain would
retaliate or that trade would drop, thereby losing tax
revenue. Madisonians countered that Britain needed American
trade and that the duties would not cause a decrease.

Madison did not give up his hopes of forcing the British
to open their trade after his defeat in 1789. In 1790, he
introduced a bill that would impose a duty of one dollar on
all ships that were not in treaty with the United States.
This measure passed the House, which was dominated by
Madisonians as it had been a year earlier. Madison also proposed that all American produce had to be shipped in American ships. The Hamiltonians were not pleased with the discriminatory duty, and they were horrified by the shipping bill. Madison’s goal was to either force Britain to open its trade or make a treaty. He also hoped that the tariff would stimulate American industry. Hamilton and the commercial class were able to stop both measures in the Senate.

The British claimed all along that Americans were treated favorably, along with other nations. They clearly threatened retaliation if any discriminatory duties were passed, and this had an effect on the Hamiltonians. It also worried planters in the Southern states, who would be hurt by retaliatory measures against their sale of foodstuffs and cotton to British dominions. But Great Britain did not give in to American demands to change its trade policies. That nation was in the stronger position, and had nothing to gain through concessions. The British government preferred to maintain the status quo with the United States.

But by 1793, Britain realized that the situation had changed. It had to fight revolutionary France. The emphasis of the dispute with America shifted from trade policy to neutral rights. Britain began to relax its strict mercantile policies, but at the same time, American shippers began to feel the effects of British regulation of neutral trade.
which seemed to the Americans to be much more odious than British peacetime practices.

The Neutral Trade

The rights of neutral shipping became a critical issue after 1793, which marked the beginning of war between Great Britain and France. Great Britain's strength, as usual, was control of the seas. British strategy, therefore, was to isolate France from its overseas colonies and trading partners, hoping then that its continental allies could defeat the revolutionary armies.

This policy, however, clashed with American interests. With the French merchant marine effectively destroyed, France was forced to open its colonial trade to neutral shippers, breaking its own mercantile tradition. The United States, with its large merchant fleet, was in an excellent position to carry this trade. The legal rationale behind the neutral trade was "free ships make free goods." Simply stated, it means that neutral ships had the right to carry non-contraband belligerent goods. This concept was completely unsatisfactory to Britain. If they allowed neutrals to carry France's trade, its whole wartime strategy would have been undermined.

Britain began to rely on its old rules of war, in
particular the Rule of 1756. This doctrine stated that no
belligerent power could allow a trade in wartime that it did
not allow in peacetime. This disallowed the trade between
the United States and the French colonies which Edmond
Charles Genet, minister of the French Republic, proclaimed
open when he arrived in the United States in 1793. Great
Britain also attempted to increase the number of items on the
contraband list, hoping it would increase the number of
neutral seizures, thus decreasing the trade of France.

On June 8, 1793, George III issued the first Order-in-
Council of the war which affected American merchants. It
authorized the seizure of any ship carrying grains to a
French port. In fairness, the cargo was to be taken to the
closest British port and purchased at fair market value. It
also authorized the seizures of any ships attempting to land
in a blockaded port, or any ship on the high seas whose
papers indicated that it was travelling to a blockaded
port. In his instructions to Hammond and in his
correspondence with Thomas Pinckney, the American ministe: in
London, Grenville relied on Vattel for his proof that the
seizure of provisions was justifiable during a war if it
helped bring that nation to terms.

The American response to the order centered essentially
on the harm it caused the United States, especially its
agriculture. Pinckney, in a letter to Grenville, asserted
that Britain had no right to do harm to American agriculture and commerce because it was in a war with France. He also claimed that in recent years, writers of international law had come to accept the principle of "free ships make free goods," and that the British government itself accepted the principle in a treaty with France.  

Another American complaint was that some of the seizures were not legal. To be sure, there were attempts to deceive the British, but nevertheless, some American ships were seized illegally, and American seamen were also impressed. The British, at this point in the war, were not interested in looking at specific cases. They wanted the neutral trade with France stopped, and a few mistakes were better than allowing France to trade freely by loosening its Orders-in-Council because of the complaints of a powerless neutral. 

The next Order in Council was issued by the British on November 6, 1793. This order allowed the seizure of any vessels trading with French colonies, which in effect outlawed all trade between the United States and French colonies. However, because some restricted trade had been allowed between the United States and French colonies before the war, that trade could not be stopped by the celebrated Rule of 1756. The order was clearly illegal, as it prohibited trade in wartime that had been allowed in peacetime. When Pinckney complained to Lord Grenville about
the order, Grenville explained that it was a "temporary" measure meant to control neutrals while the fleet was out of the French West Indies area for a short time.

The effects of this order were severe for American shipping. In letters to Edmund Randolph, who had succeeded Thomas Jefferson as Secretary of State, Fulwar Skipwith, the American consul general, wrote about illegal seizures that he had seen. He said that at Monserat and St. Kitts, over 150 American vessels had been seized, and some of them had simply been travelling from American port to American port. The judges of the admiralty courts, he wrote, had simply been assuming that the seized American vessels were attempting to trade with France, regardless of destination papers.

The Order of November 6 was eventually replaced by the more liberal Order of January 8, 1794, but the damage to American shipping and public opinion had already been done. Because the British government held the November order secret for a short time, and the time it took for the original and supplementary orders to be transmitted, British ships began seizing American shipping in early 1794. As described by Fulwar Skipwith above, the British were vigorous in the execution of the order. The American government continued to appeal to the British for some kind of justice or compensation, but the British did not notice until the calls for war emanated from the United States Congress.
Alexander Hamilton suggested to President Washington that he prepare the military for war.\footnote{11}

Negotiations and the Jay Treaty

War in 1794 seemed a certainty. The seizure issue was reaching a diplomatic "critical mass," and Lord Dorchester's speech to the Indians in the Northwest Territory seemed clearly inflammatory to the American government.\footnote{12} John Graves Simcoe was convinced in July of 1794, despite American promises to the contrary, that General Anthony Wayne was preparing to attack the British-held forts, not the Indians.\footnote{13} But somehow, peace between the two nations was maintained. The reason for this miracle is relatively simple; neither nation could afford to go to war in 1794.

The United States needed British trade. With French trade being cut off by the detestable Orders in-Council, trade with Britain was that much more important after 1793. The British Navy was systematically destroying the French Navy and privateers, so there was really little impediment to Anglo-American trade. In fact, it had blossomed. Because of the war, the British merchant marine was not in a position to dominate the trade as it had done before, and American ships began to carry more of the trade with Britain.\footnote{14} American shipping became so dominant during the war that by 1800.
American ships were carrying ninety-five percent of the trade between the two nations. Britain even allowed Americans to trade with its colonies during the war, despite its own maritime laws. The British essentially were using American ships as a surrogate British merchant marine.

These considerations led the Washington administration to consider negotiations before war. The United States government received the majority of its revenue from import duties, and most of that was coming from the British trade. President Washington therefore began to consider a possible mission to Great Britain in February of 1794 to maintain this vital peace. This had the definite support of the Federalists, but the Republicans were deeply suspicious that the "British Party" would make the United States a virtual slave to the British. Despite Republican opposition, Washington decided to send a mission. At first, Alexander Hamilton was considered for the trip to London, but it was decided that it was more important for him to stay in the United States, not to mention the Republican furor his appointment would cause. Hamilton himself recommended John Jay for the position in April. Washington agreed and sent his name to the Senate. He was confirmed by a very close partisan vote three days later, and Jay sailed for Great Britain on May 12, 1794.

Great Britain was also very interested in peace for a
number of reasons. Britain was having to rely on American shipping and trade because of the war. Its merchant marine was needed for privateering and it was also susceptible to French seizure. It was logical, then, for the British to give the carrying trade to neutral nations such as the United States. The British essentially needed a neutral America with which to trade, just as the United States needed Britain.55

The Post Question was also solving itself. The United States demonstrated after 1791 that it was making honest attempts to fulfill its duties under the peace treaty. In informal talks with Hamilton, Hammond found out that the United States would be willing to guarantee free trade across the American-Canadian border if Britain would turn the posts over to the United States.56 Also, in July of 1793, the Americans finally gave in to the British claim that the northwest lands were not actually ceded to the United States in the treaty, but rather that the right to negotiate with the Indians for the territory was transferred to the United States.57 The many worries that the British government had about the Northwest Territory were disappearing. They would still have a right to the fur trade, and they did not betray their promise to the Indians by actually turning the land over to the Americans. By 1794, the Northwest Territory and the posts were certainly not worth the possible war to which
they were contributing.

The greatest reason, perhaps, was the simple fact that Britain could not afford to fight a belligerent in another hemisphere. Britain would have to spread its navy even more than it already had, and it would have to commit troops to North America that it needed much more in Europe. Also, a belligerent United States would give the French a number of very good ports in which to fit out and hide privateers, making French predations on British shipping more effective. A war with the United States could not give the British any more concessions than it already had, and the price would be far too dear.

For these reasons, the Jay-Grenville negotiations were very cordial. In his letter to Grenville of July 3, Jay expressed his happiness Lord Grenville seemed very open and favorable toward the negotiations.\(^5\) This friendliness lasted the entire time that Jay was in England. The treaty took a little less than five months to conclude from start to finish, which was another testament to the desire of both sides to avoid war and to heal wounds. And the wounds were healed; the British were satisfied in that a commission was created to handle the debt issue, they did not give up regulation of neutral trade or impressment, and war was averted.\(^5\) The United States finally got the northwest posts, a commercial treaty, and trade with the British East
Indies was opened to American merchants. Trade with the British increased by three hundred percent over the next ten years, and this put the United States on very sound financial footing, and on the way to prosperity.

But the treaty was not perfect for the United States. Although it stabilized relations with the British, it put relations with the French in a very precarious position. In the three years after the signing of the Jay Treaty, relations with France gradually deteriorated into war. The treaty had taken on a greater importance than simple stability in Anglo-American relations; it began a series of events that would preoccupy the foreign relations of the United States for the next six years.
CHAPTER TWO

INTRODUCTION:
RELATIONS WITH FRANCE BEFORE RANDOLPH'S DOWNFALL

Relations with France were generally better before 1795 than with Great Britain. Almost all Americans openly sympathized with the French Revolution as it began, and conservative opinion turned against it only after Louis XVI was beheaded and the French Republic was declared, because they were concerned about the excesses of mass politics without strong leadership. But even after this event, the vast majority of Americans continued to support the Revolution.

There were troubles, however, which tended to increase after war was declared against Great Britain in February of 1793. France was concerned that it was not being treated fairly by Hamilton's pro-British trade practices, and the pro-French neutrality that France expected from the United States during its war with Britain never materialized. Strict American neutrality angered the French, and it was a contributing factor to the decline in Franco-American relations after 1793.

I will argue that this decline in Franco-American relations happened because the foreign policies of the two
republics were essentially dissimilar. The United States was not interested in spreading revolutionary ideology throughout the world as the Girondist government was. It was in the United States' interest to seek closer commercial ties with Great Britain. It needed to place itself on a strong economic footing. France could not offer the economic opportunities for the United States that the British could. France expected the United States government to unite with it in republican brotherhood, helping France when it could by allowing the sale of prize and so on. What it found was an American government which knew its interests and followed them without remorse. The French government did not like this "betrayal" of republicanism by the Americans, and it grew more hostile as the United States continued on its pro-British path. With the ratification of the Jay Treaty, France all but abrogated its treaties with its ally that had abandoned it to form an alliance with its greatest enemy.

Relations with France before War

Relations with France were warm before the beginning of war with Great Britain. American public opinion was pro-French, and the administration had not yet faced the neutrality issue and the activities of one Edmond Charles Genet. Perhaps the greatest difficulty before 1793 was the
fact that Alexander Hamilton was not as responsive to French calls for a new commercial treaty and increased trade as the French government would have liked.¹

The French wanted increased trade for a number of reasons. First, the United States would have been an excellent market for French manufactured goods, as well as a good source for raw materials. In short, it was good business to trade with the United States. Second, the French would have liked nothing more than to decrease American trade with Great Britain.² This accomplished the dual French goals of doing harm to British trade and removing the United States from the British sphere of economic influence.³

The French hoped for a new treaty based on mutual guarantee, which basically meant that each nation was obliged to grant the other identical trade concessions. For example, if the French government allowed American shippers to enter French ports duty-free, then French ships should be allowed into American ports on the same duty-free level.⁴ This was never to be because Hamilton, as mentioned in Chapter One, had based his entire plan for American economic prosperity on revenues from British trade, and he did not want to do anything that would endanger this trade. This is not to say that he was against increasing trade with France, but he was more interested in maintaining and increasing economic ties with the British. He was interested in a new trade treaty
with France primarily because he hoped he could use a new French treaty to force the British into a commercial treaty. 

Despite the wishes of the Jeffersonians and the French, negotiations were never begun. The Washington administration was never interested enough, and by the time Thomas Jefferson had developed a proposal based on mutual guarantee, war had begun and such treaty notions were out of the question.

Another trade issue that caused some minor problems in the relationship was the French expectation that the American government would discriminate against British trade in the form of tonnage duties. But Hamilton, ever committed to British trade and goodwill, was able to remove the discriminatory nature of Madison's tonnage bills in 1790 and 1791 (see Chapter One). Louis-Guillaume Otto, the French chargé d'affaires, wrote letters to Jefferson in January of 1791, stating that France, in having to pay a tonnage duty, was not being treated in accordance with the most-favored nation clause of the Treaty of Commerce (1778). Jefferson, in his reply, correctly stated that no nation was treated more favorably than France. But Jefferson was sympathetic toward the French, because they had granted major concessions to American shipping and simply wanted their actions reciprocated. He suggested that Congress give special tonnage concessions to the French, but Hamilton stopped it, arguing that the United States needed the revenue.
rejection gave the French even more reason to feel betrayed by the "British Party" in the United States, and it certainly did not help relations with the Washington administration.

American public opinion, however, was generally pro-French. In 1791 and 1792, Great Britain was still considered the enemy and France was the great nation that rushed to America's side to help defeat tyranny. Of course, the Jeffersonians tended to be more supportive of the revolution, because they felt a brotherhood with fellow revolutionaries that the soon-to-be Federalists did not. Nevertheless, the conservatives in the United States were supportive, but worried about the problems that would be created if the revolution radicalized.

By the end of 1792, the worries of the conservatives had been confirmed. Radicals arrested their king, Louis XVI, and beheaded him. The constitutional monarchy was abolished, and the French Republic was declared, which promised to free the citizens of the world from the chains that absolute monarchy and Catholicism had created. To the conservatives, this was exactly the kind of radicalization of the revolution that they did not want to happen. The new Girondist government then began the wars of "liberation" on the continent, which soon included Great Britain. Conservatives in the United States were very much concerned that the new government in France would try to spread its revolutionary economic and
social ideologies throughout the western hemisphere as well, endangering the interests of the United States.

The Jeffersonians viewed the declaration of the Republic as a high point in the history of man. At last, another nation had become free by throwing off its oppressive ruler. Jefferson wrote a letter to William Short soon after the declaration of the Republic, praising the French Republic and the revolutionaries who created it. The letter reads in part:

...But time and truth will rescue and embalm their memories, while their [the French revolutionaries'] posterity will be enjoying that very liberty for which they would have never hesitated to offer up their lives. The liberty of the whole earth was depending on the issue of the contest, and was ever such as prize won with so little innocent blood?...

This was the sentiment of the majority of Americans at this time, and this feeling was the source of domestic difficulty in that the French Revolution can be considered the ideological cause of the first party split in the United States. Americans began to divide into Federalist and Democratic-Republican camps on this issue, as well as on other issues such as economic and foreign policy. This growing political division only became greater in the Spring of 1793 with the arrival of the new French minister, Edmond Charles Genet, and the debate on neutrality.
Genet and Neutrality in 1793

Relations with France in 1793 immediately after the war in Europe were still very good, and much better than they were with Great Britain. But there was growing potential for trouble. All members of the administration felt that the United States should be neutral in the conflict between France and Great Britain. France, however, was expecting a friendly United States that would harbor its privateers and allow the sale of prizes in its ports, and real problems between the two nations began when American policy ran headlong into French expectations.

The first issue on which the administration had to decide was neutrality. All four cabinet members agreed that neutrality was the best course, but Jefferson and Hamilton argued on the specifics. Hamilton was in favor of a stricter neutrality that would include a suspension of the debt payments and treaties until the political situation in France was clarified. He also believed that a qualified acceptance of Genet was warranted, because if he were accepted fully, it would imply an acceptance of the new French government and the treaties. Jefferson believed that relations with the new republic should be normalized, the debt payments and treaties upheld, and Genet accepted unconditionally. He would also have preferred the neutrality
policy to be tacit rather than declared, believing that would have given the United States more room to negotiate with the warring powers.\textsuperscript{11}

The Proclamation of Neutrality was issued by President Washington on April 22, 1793. It was essentially a compromise between the positions of Jefferson and Hamilton. The treaties were recognized, but the proclamation was far stricter and formal than what Jefferson and the Republicans would have liked.\textsuperscript{14}

It was under these conditions that the new French minister, Edmond Charles Genet, arrived in the United States. He landed in Charleston on April 8, and he did not make his way immediately to Philadelphia. By landing at Charleston, he hoped to take advantage of the pro-French sentiment which dominated most of the United States. Before leaving for Philadelphia, he contracted American sailors to serve on French ships, made arrangements to fit out French privateers in Charleston, began to raise an army for a possible invasion of Louisiana, and also gave letters of marque to American ships for use against British ships. All of these activities would eventually be illegal under the proclamation, but he nevertheless continued his activities after the proclamation, which angered President Washington and drove the American government closer to a "British Neutrality."\textsuperscript{15} When he finally arrived in Philadelphia, his reception by the
administration was rather cool.

The most contentious issues during Genet's tenure were the outfitting of French privateers in American ports and the French demand to set up prize courts in the United States. Neither was actually allowed by the Treaties of 1778, but Genet claimed that because the privileges were denied to the British in those treaties, they were given to the French. In an exchange with Genet during May and June of 1793 over the question of the seized British ship Grange, Jefferson claimed that the sale of captured prizes in a neutral nation's ports was a breach of that nation's sovereignty and could not be allowed. He did agree, in accordance with Article XVII of the Treaty of Commerce, that French warships, along with their prizes, did have the right to enjoy safe harbor in American ports, but that nowhere did it say that French warships had the right to dispose of prizes in American ports.

Another problem was the commissioning of American citizens to serve aboard French vessels. This controversy came to a head when two American citizens were arrested for serving on French vessels. Edmund Randolph argued that Americans could not serve on belligerent ships while the United States was neutral because it violated treaties that the nation had with the other belligerent powers. The United States was neutral, so its citizens were neutral also.
Genet asserted that there was no law prohibiting Americans from serving on foreign ships, so they committed no crime. The case was brought to trial, and a pro-French jury delivered a not guilty verdict. Because Genet supported the defendants directly, and Randolph had been the prosecutor, Genet took this decision as a victory over the administration and a sure sign to him that the American people did not support the policies of the administration.

Filled with revolutionary idealism and the perceived backing of the American public, Genet continued to recruit American sailors and fight with the Washington administration, believing that he was protected by American public opinion.

These incidents between the administration and Genet led to open warfare by the summer of 1793. Genet continued to recruit Americans and arm privateers. One specific case was the Petite Démocrate, which was a refit British merchant ship called the Little Sarah. Genet was planning on letting the ship loose on British shipping in July of 1793 until Jefferson heard about it. He realized that if this ship, which was known beyond any doubt to have been outfitted in the United States, were to capture a British vessel, it could mean war between the United States and Great Britain. He asked Genet not to release the ship, but Genet allowed it to go.

George Hammond fortunately did not press the issue and
war was not declared on the United States. But the episode did ruin Genet's relationship with the American government once and for all. Washington began to follow Hamilton's pro-British neutrality much more than he had in the past. Washington was convinced by late July of 1793 that Genet had to be removed. Even Jefferson was very displeased with Genet's behavior, and he abandoned Genet in July as well. Later, on August 16, 1793, he wrote a letter to Gouverneur Morris, then minister to France, outlining Genet's constant violations of American law. And then on the 23rd of the same month, asked Morris to discuss the possibility of Genet's recall with the French government. Genet had also begun threatening to appeal over the head of George Washington to the American people, claiming that the administration did not represent the views of the American people. These actions finally turned American opinion against him. Americans were disgusted with Genet's threat toward their Revolutionary Hero, and even most Republicans rallied to the side of Washington.

Although Genet attempted to clear his name by telling Jefferson that he was only obeying orders and by suing John Jay and Rufus King, the men who had accused him of threatening the President's authority, Genet's days were numbered. The Jacobins had taken power in France earlier that summer, and Genet was a Girondist. So when Morris had
asked for Genet's recall in October, the Jacobins granted it happily. Genet's plans on Louisiana were also a matter of concern for the United States government, but they took place more secretly and therefore were not noticed as much as his direct violations of American law. The Girondist government ordered Genet to organize an invasion force and take Louisiana from its new enemy, Spain. As soon as he landed in Charleston, he began to recruit a volunteer army for this mission. Most westerners approved of the concept, because they were pro-French and thought that it would be a good opportunity to gain the navigation of the Mississippi. Genet was able to enlist Americans such as George Rogers Clark and James Wilkinson to help command the invasion. Once the United States government heard about the invasion plan, Jefferson immediately warned the westerners that such a plan was illegal and they would be hanged if found guilty of participating.

Despite the warnings of the United States government, the invasion was preparing to attack when Genet was replaced. The Jacobins decided not to pursue the matter. Jacobin foreign policy was more conservative than Girondist policy. Robespierre and the Committee of Public Safety were much more concerned with winning the war in Europe, which had begun to go badly for the French after its initial successes in 1792.
Joseph Fauchet, the new French minister, was ordered by the Jacobins to dismantle the army and the danger to Louisiana passed. But even if Genet had not been replaced, it would have been difficult to carry out the invasion. Genet had no money to finance the scheme, because Hamilton had refused to advance the debts payments to France, the very funds which were going to be used for the invasion.

The Effects of Neutrality and Jay's Mission

The Girondists and later the Jacobins were naturally quite disturbed over the American government's commitment to strict neutrality. They had expected Genet to be far more successful in gaining rights for French warships, as well as in his invasion plans. But instead, the United States did not favor the French at all, and it seemed to the Jacobins in 1794 that it was much more interested in pursuing an alliance with Great Britain. The Americans were willing to accept British neutral doctrine embodied in the "Rule of 1756" rather than the "free ships make free goods" principle of the Franco-American alliance, thereby making it more difficult for France to supply both itself and its possessions. It seemed to the French government by November of 1794 that the American government was no longer committed to an alliance with France, and was well on its way toward an alliance with
Genet had been officially recalled in January of 1794. His replacement, Joseph Fauchet, arrived the next month, and he began his duties almost immediately. Morris, whose recall had also been requested, was replaced by the pro-French James Monroe later that year, in an effort by Washington to placate the French government. Both of these men would play key roles in the development and ratification of the Jay Treaty, which led to the further decline of French-American relations in 1794 and 1795.

French behavior actually moderated for a time after Fauchet arrived. The French began to conform to America's definition of neutrality, in that Fauchet did not outfit privateers or enlist American seamen. Fauchet realized that Genet was very unsuccessful in playing politics in America, and he wanted to avoid this. Also, France was in dire need of American aid. The British had all but stopped the French carrying trade, and France was having a very difficult time obtaining food. The Republic was also in desperate need of money, so it was forced to be more understanding of the American position, as it could not afford to make an enemy of the United States at that time.  

This attempt at friendliness did not last long, however. Fauchet requested advance payment of the debt in March of 1794, but President Washington declined to make the
advance. Earlier, in July of 1793, the French had officially made American ships subject to seizure under their decree of May 9, 1793. This violated the Treaties of 1778, but the French reasoned that the Americans should attempt to understand their maritime situation. The French claimed that the United States did not try to defend its neutral rights against British violations, and therefore French shipping was put at a huge disadvantage. The French had to counteract this disadvantage by attempting to capture all neutral shipping going to Britain, which unfortunately, was dominated by the United States. Although this decree took effect before Fauchet became minister, the illegal seizures still made Fauchet's job of improving relations more difficult.

The biggest problem with which Fauchet had to contend was John Jay's negotiations with Lord Grenville. Although he had been assured by Randolph that Jay had been instructed not to interfere with any of the provisions in the Treaties of 1778, they were nevertheless a matter of concern. Gouverneur Morris and James Monroe in France had also tried, without success, to convince the Committee of Public Safety that the United States still held its alliance with France dear. The actual course of the relationship, however, told a different story to the French. The administration seemed to be transforming into the puppet of the British. The Americans had not protested British depredations on its shipping
Strongly enough, and Alexander Hamilton seemed to believe that British trade was more important than the French alliance. The United States did not allow France to outfit privateers or set up prize courts in the United States as France thought was its right. Hamilton had not shown a deep interest in a new trade treaty with France. Finally, John Jay had been sent to London to discuss an alliance with its greatest enemy. To the Committee of Public Safety, it definitely seemed as though the United States was not committed to friendship and alliance at all.

In all truth, by May of 1794, when John Jay had begun his voyage to Britain, the Washington administration was much more interested in maintaining a relationship with the British than with the French. The activities of Citizen Genet and the advice of Alexander Hamilton had made President Washington not so much pro-British, but anti-French. He was insulted by the attacks made by Genet on him and his administration, and Genet had done much to increase the party split that had begun in 1791 over Hamiltonian fiscal policy. If he had to be dragged into a faction, he would certainly not side with the dishonorable "French Party," which had supported Genet and also attacked him personally.

Matters worsened after November of 1794, when the Jay Treaty was signed. Although it did not technically break the Treaties of 1778, the French government and Fauchet
complained that it had. Also, throughout the latter portion of 1794 and into 1795, Fauchet complained of instances in which British warships were allowed to land in American ports with prizes. These events led the French to question American commitment to the alliance more than ever. Fauchet’s constant complaints and grievances began to grate on the administration and Washington saw shades of Genet in Fauchet by mid-1795. In fact, as the Senate was debating Jay’s Treaty in special session during June, Fauchet did actively attempt to defeat the treaty before the arrival of his replacement, Pierre Adet. Despite Fauchet’s efforts, the treaty passed the Senate and went on to President Washington for ratification in late June.

President Washington had problems with the Jay Treaty. It certainly was not very favorable toward the United States, and it was causing huge difficulties with France. The treaty was cementing the political divisions in American public opinion, and he was coming under increasingly stronger attack. The insults and the attacks on his character wounded the President greatly, but he became more and more convinced that the Jay Treaty was good for the United States, as he assessed the alternatives to it. By July he had made up his mind to ratify and he did so on August 14, 1795. In the eyes of the Republicans, he had become a full Federalist, a puppet of the British.
There have been connections made between the Randolph controversy and Washington's ratification of the treaty. But in letters that he wrote well before August 14, he writes about his resolve to ratify the treaty despite the public outrage toward the it. He did not decide to ratify the treaty because of Randolph's letter. He had already made his decision. Washington did not have any choice but to force Randolph out of the Cabinet. The letter to Pauchet was very incriminating. It did look to Washington that a bribe was indeed solicited. Randolph had compromised the American government and had to be removed. Hammond had forwarded the letter to Wolcott with the purpose of influencing the president's decision on ratification, but he had already made up his mind. The treaty would have been ratified even if the letter had never been received by Washington.

Ratification of the treaty was the deathknell for the Franco-American alliance. The French government saw no alternative but to try to encourage the defeat of the treaty in the House of Representatives, and when that did not work, it tried to influence the Election of 1796 in France's favor. It knew that it could no longer work with the current administration. Interference in American affairs hurt relations even more, and even though war was not a certainty at that point, the chances of it were greatly increased by the actions of the French government.
CHAPTER THREE

MUTUAL INTEREST AND OPPORTUNITY:
RELATIONS WITH GREAT BRITAIN, 1795-1800

Jay's Treaty helped Anglo-Americans relations after 1795 tremendously. It was responsible for the evacuation of the northwest posts, increases in trade with the British Empire, and the termination of the threat of war. But there were other reasons for the improvement of the association, which were more influential than the treaty. The most important of which was the fact that Great Britain needed a friendly United States. Because of the war, Great Britain needed American shipping to cover the incapacity of the British fleet. The most lucrative trade concessions, such as the opening of the British West Indies and the allowance of the reexport trade were not included in the Jay Treaty. They were, in fact, granted unilaterally by the British to help their own cause, and it was these concessions that would cause problems later in the relationship when they were revoked because the war had ended and Britain could return to its mercantile policies.

The granting of trade concessions was not the only way that the British attempted to maintain friendly relations. The British government also worked very hard with the
American government to solve persistent issues such as spoliation compensation, the American debt problem, and the St. Croix boundary dispute. The two governments also worked closely in America's Quasi-War with France. Britain helped to arm American fortifications and both governments labored to remove French influence in Santo Domingo and gain its valuable trade. It was a time of great cooperation between the two nations, but because of Britain's need for the United States was only temporary, it did not last. The approachement was, in the end, opportunistic.

The Effects of the Jay Treaty

The most important effect of the Jay Treaty was stabilization. The diplomatic crisis of 1794 was solved. The posts were finally to be evacuated in 1796, the fur trade question was resolved, and the debt and spoliation issues were settled. A trade treaty was also granted to the United States, which had been an American hope since the ending of the War for Independence. Both governments realized that war in 1794 would be devastating, and they acted to stop it.

The evacuation of the posts and fur trade were connected issues. Britain did not want to release the posts to the Americans without some sort of guarantee that Canadians could continue to take furs out of the area. In discussions with
Hamilton, George Hammond had learned that the United States would be willing to open the area to traders on both sides of the border (see Chapter One). This was granted in the treaty. Also, Britain ridded itself of its territorial promises to the Indians when the United States government agreed to assume the British responsibility in this area.

By the time the Jay Treaty was signed, Great Britain's demands in the Northwest Territory had been satisfied and it had no further use for the posts, so they gladly surrendered them to the United States in 1795.

Two other issues that were reaching critical proportions were American complaints about illegal seizures and British complaints about the manner in which Americans were honoring their debts to British creditors. The Jay Treaty set up bi-national commissions to judge claims dealing with both issues. Also, in the spirit of goodwill, British seizures of American shipping were greatly decreased while the treaty was being negotiated.

The exact nature and the events surrounding these commissions, as well as the commission charged with resolving the St. Croix boundary, will be discussed later in this chapter.

Another positive effect of the Jay Treaty was that it was also a commercial treaty. The British government had finally decided that not having a trade treaty with the United States was not worth all the trouble it was creating.
Britain realized that it would still be the senior partner in any commercial relationship with the United States, and also that it only needed to give the United States relatively minor concessions. A trade treaty with the United States was beneficial for Britain.

The most valuable concessions that Britain granted to the United States were the British East Indies trade and most-favored nation trade status. The East Indies trade was very valuable and American shippers soon began to rival British shippers in the area. Americans according to the treaty were not allowed to export Indian items to any ports except those in the United States. This rule, however, was violated constantly because British policy allowed a de facto reexport trade to occur. The reexport trade will be discussed later.

Jay and Grenville also negotiated mutual most-favored nation trade status. This greatly increased trade between both nations. Great Britain no longer had to be concerned with possible American discrimination, so exports to the United States increased. From 1795 to 1801, the United States imported one hundred sixty million more dollars worth of goods from Britain than it did from France. Britain relied on the United States primarily for commodities such as cotton, tobacco, and in some years foodstuffs. The British West Indies continued to depend on the United States for food
as well. The value of exports to Britain rose by three hundred percent from 1795 to 1800, due in large part to the commercial treaty.\textsuperscript{5}

It is clear that the Jay Treaty was beneficial for both sides. Trade increased on both sides of the Atlantic, and relations were much more relaxed than they were in 1794. But there were some major disadvantages for the United States.

The greatest of these disadvantages, the infamous Article XII, never became a part of the treaty. This commercial article allowed Americans to trade directly with the British West Indies, so long as the ships were no larger than seventy tons. While this was a major disadvantage, there were even more serious problems with the article. It prohibited the "carrying any Melasses, Sugar, Coffee, Cocoa, or Cotton in American vessels either from His Majesty's Islands or from the United States, to any part of the World."\textsuperscript{6} This would prohibit the export of any American cotton for the duration of the article. In short, it was clearly unacceptable to American interests and this particular article was struck from the treaty by the Senate.

The United States was also forced to relinquish the principle of "free ships, free goods," which all small neutral merchant nations advocated, in favor of the British definition of contraband. The British government realized it had to make some concessions to the United States to avoid
war and maintain friendship, but it was not foolish enough to yield one of its most important maritime weapons against France. The surrender of this principle was one of the main causes of troubles with France, as the Directory saw the action as another demonstration that the Federalists were the puppets of the British and clearly uncommitted to helping America's ally in its war against their mutual foe.  

Trade with Great Britain

The American carrying trade prospered not only because of the opening of the East Indies through Jay's Treaty, but also because Britain voluntarily allowed trade that it had not allowed before. Britain was forced to allow American ships to supply the British West Indies with American foodstuffs, because the war in Europe had incapacitated the British carriers in the West Indies. Also, the British decided to allow an American reexport trade to develop. Both of these trades contributed greatly to the increase in American trade and prosperity before the end of the war in 1802.

The British West Indies were dependent on the United States for raw materials. For much of the time after the War for Independence, Britain forced American merchants to ship these goods to the West Indies in British ships, in keeping
with mercantile policy. The Wars of the French Revolution compelled Britain to change its policies, however. As the war in Europe began in 1793, American ships carried sixteen percent of the grain exported to the West Indies. By 1794, the Americans carried a total of eighty-eight percent of the grain. Early on, American ships were allowed to export only provisions, but soon after they were shipping manufactures and other goods, some of it being reexported British goods. The governors of the islands would also allow the Americans to ship island products like coffee and sugar back to the United States. It was all very lucrative for the Americans.

The West Indies trade became so common because the Home Government would not rescind the orders of the island governors which opened the British islands to American ships. The Home Government tacitly accepted the proclamations, although it did try to stop the export of sugar and coffee in American ships, with little effect. It was much easier for the British government in London to allow the vital American trade in this unofficial manner, rather than declaring it official policy and having to deal with the conservative backlash of British mercantilists. The British government would also be able to renounce an unofficial policy more easily when the war ended and it could return to a more traditional mercantile policy.
Attempts by Rufus King, the new minister in London, to open the West Indies trade officially were unsuccessful. The British were not willing to officially break with their mercantile policies. The Americans also failed in convincing the British to allow American ships to carry goods directly between the British Isles and its colonies. That would also have been too much of a radical departure from accepted practice. The British were not changing their policies to make the American shipping industry wealthy; they were doing it out of necessity.

The reexport trade was allowed for similar reasons. Reexportation, simply defined, was the act of American merchants shipping goods into the United States, and then shipping them to another country. This activity was prohibited by the Rule of 1756, as no country with mercantilist traditions could allow a foreign country to ship its goods or the goods of its colonies. During war, however, the situation changed. Britain hoped that the United States would use reexportation for two major purposes. The first was that Britain wanted American merchants to ship goods from the French West Indies to Great Britain via the United States, so that it could get goods that it needed and deny goods to the French at the same time. The second purpose was to create a reexport trade from British areas to British areas via the United States. In this instance, Great Britain
was using the American merchant fleet to do work that the British fleet could not do at that time.\textsuperscript{14}

The reexportation trade, as can be imagined, was not popular in Great Britain. The British East India Company protested because the United States was importing many Indian goods into the United States and then reexporting them to foreign countries, including Britain. They felt that this trade with Britain should be exclusively theirs.\textsuperscript{15} British shippers likewise were angered over the fact that American shippers were purchasing British manufactured goods and reexporting them to the British West Indies, in violation of mercantile policy.\textsuperscript{16}

The British government, however, supported the reexport trade in the decisions of Sir William Scott and its own Orders-in-Council. The Order of January 8, 1794, disallowed any neutral carriage of French colonial goods to France, but it allowed neutral goods to be shipped to both places. So if an American merchant purchased French goods and shipped them to the United States, and then exported his goods to a French possession, it was legal. Later in the Immanuel and Polly decisions, Scott held that the reexport trade was legal, so long as the importation of enemy goods into the neutral country was legitimate, meaning there had to be proof that the goods were actually purchased by a neutral shipper or merchant before they were reexported.\textsuperscript{17}
In order to dispose of three major issues of controversy, the treaty provided for commissions which would resolve the issues. The Fifth Article created a commission of three to decide which river on the Canadian-American border was the "true" St. Croix, the border established in the Treaty of Paris (1783). A commission of five was to meet in Philadelphia to judge the debt claims of British creditors, as per the Sixth Article. The third commission, which assembled in London, was created by the Seventh Article to judge the claims of American merchants that their ships and cargoes were seized illegally under the various British Orders-in-Council.\footnote{13}

The least controversial of the commissions was the one that was charged to decide the "true" St. Croix for boundary purposes. It was the only one of the three that did not have to choose its last member by lot, as both the American Commissioner, David Howell, and the Briton Thomas Barclay, mutually agreed on Egbert Benson, an American.\footnote{19} The American contention was that the St. Croix was a river known as Magaquadavic. Timothy Pickering argued that the peace treaty had assumed that the river would form a part of the United States' eastern boundary. Therefore, the river would have to flow north-south, which the Magaquadavie did. The
British claim of the Schoodic River, which was to the south of the American claim, flowed basically east-west. The commission began its work in 1796, exploring the two rivers in question. After their research, the commission departed and agreed to meet in Boston in August of 1797. In 1797, the British commissioner wished to study French historical accounts of the area, believing that they could shed light on the subject. So the commissioners closed their meeting in Boston, deciding to meet in June of 1798 in Providence, Rhode Island for the final decision after the documents had been examined. These historical documents did identify the Schoodic as the St. Croix. After an exploration of the Schoodic and its tributaries, the commissioners with Robert Liston, the British minister, compromised on the northern tributary, the Chiputneticook, as the boundary. The agreement was signed on October 25, 1798.

The Debt Commission, which met in Philadelphia, was the least successful of the three commissions. It first met on May 29, 1797, and suspended meetings on July 19, 1799 without concluding its business. The claims which were left unjudged in 1799 were disposed of in the Convention of January 8, 1802.

The commission was composed of five members. There were two Americans, Thomas Fitzsimons and James Innes, who were joined by Thomas Macdonald and Henry Pye Rich. John
Guillemard, a Briton, was selected by lot as the fifth commissioner after the first four could not come to mutual agreement. Samuel Sitgreaves replaced the American James Innes on August 11, 1798 after his death. Similar procedures were followed by the Spoliation Commission to select its fifth member.25

Problems arose in Philadelphia for very understandable reasons. The British commissioners wanted to set rules for the commission that would make it much easier for creditors to collect debts. In particular, Thomas Macdonald wanted to make the definition of "legal impediment" toward the collection of debt very broad, thereby greatly increasing the number of valid claims.26 The Americans opposed this resolution, knowing that they would have to pay much more money than if it were more difficult to prove that there was a legal impediment to collection.

The conflict over the impediment definition became critical in the case of Daniel Dulany. Briefly stated, Daniel Dulany was the recipient in the will of a woman who had died in 1775. During the war, the state of Maryland passed a law stating that a creditor was required to accept any tender that the debtor offered in payment of debt, or the debt would be extinguished and the security that had been given to the creditor to guarantee the debt would have to be returned. So when executor of the will attempted to collect
the money, he was forced to accept paper money which on its face was equal to the debt, but was in fact greatly depreciated. But because the debt was paid in full with the paper, Dulany had no legal recourse in which to receive full payment. Dulany therefore brought the case before the commission, hoping to receive relief.  

The British, represented by Macdonald, held that in order for the debt to be paid fairly, the creditor could not be forced to accept paper money that he knew was not worth the whole debt. In short, they believed that the Maryland law was a legal impediment to the collection of the full debt. Fitzsimons, protesting for the Americans, wrote that the debt had been fairly disposed of and that the commission had no jurisdiction. He also threatened to leave the board in order to prevent the British decision, which the Americans did on January 11, 1799.  

This case, which was heard in August of 1798, could be considered the breaking point of the commission. After this, the members of the board simply could not agree with each other on even the principles and rules they used to judge claims. There were other cases, such as that of Bishop Inglis and Andrew Allen, which only added fuel to the growing fire. Finally, in July of 1799, Fitzsimons and Sitgreaves wrote a very short letter to the British contingent stating that they could no longer attend the commission. After a
month of spirited letter-writing, Henry Pye Rich wrote the board on September 2 that he would be travelling back to Great Britain, putting an end to the commission once and for all.3*

Immediately after hearing that Rich was going back to England, Pickering wrote to Rufus King and ordered him to open negotiations with Lord Grenville with the purpose of disposing of the rest of the debt claims.3* At first, the British government declined to do so, because they felt that the split of the commission was caused by the American government. The British wanted to create another board under Article VI to handle the rest of the claims. Grenville was dismayed in part because the conditions of Article VII had been carried out so well.3* But at the same time Grenville was talking with King, he was also discussing the possibility of a lump sum payment with British creditors. It was decided that a fair amount would be approximately two million pounds. It was later decided that a fair settlement was a million pounds.3* James Madison in June of 1801 wrote King saying that President Jefferson was not willing to pay more than six hundred thousand pounds.3* This was acceptable to the British, and on January 8, 1802, a Convention was signed in which the article was set aside and the United States agreed to pay Great Britain six hundred thousand pounds, which ended the whole dismal affair.3*
The Spoliation Commission, in stark contrast, was much more successful, even though each nation had just as much at stake as with the debt issue. Reimbursements to American merchants had to be paid, so it is only logical that Britain attempt to pay as little as it could get away with, just as the Americans would try to get the British to pay more. It could be supposed that the success of this commission, and the failure of the other was because of the personalities involved. Lord Grenville certainly believed so.

The Spoliation Commission was composed of two Americans and two Britons, with a fifth member who would be mutually selected by the first four, just like the Debt Commission. In London, the American commissioners Christopher Gore and William Pinkney and Britons John Nicholl and Nicholas Anstey chose the American painter John Trumbull by lot, who had been John Jay's secretary during the treaty negotiations. The commission first met on October 10, 1796, and concluded its business on February 24, 1804.

There were relatively few difficulties with the London Commission. Early on, there was a controversy over the jurisdiction of the commission, but by compromising, Grenville and King were able to work the situation out and the commission continued its work. Ironically enough, the only suspension of the commission was because of the problems in Philadelphia. On July 20, 1799, the British members of
the board wrote a letter stating that they could not sit while the Americans in Philadelphia refused to follow the decisions of the majority of the board.⁴⁰ It did not meet again until the Convention of 1802 was finalized, thereby solving the crisis. The board then had little difficulty finishing the rest of its business.

When looking at the two commissions, it is clear that they were in very similar situations. In both cases, the country that had the opportunity to benefit from the proceedings had the majority of the board. Both majorities tried to take advantage of their situations, but the London Board was much more willing to compromise. Perhaps it is because Great Britain had more money, and could afford to follow the majority rulings in London, whereas if the Americans followed the rulings of Macdonald, they would be bankrupted by claims. The personalities of the participants were also factors. Grenville and King played active roles in London, attempting to minimize trouble, whereas Liston did not play an active role, and Pickering had been encouraging Fitzsimon's notions to withdrawal, rather than attempting to find a solution to the "majority tyranny" of Macdonald, who likewise did not think of compromising on the Dulany or Inglis cases.⁴¹ In any event, the success of the St. Croix and Seizures Commission definitely smoothed relations between the two nations, despite the events in Philadelphia.
THE QUASI-ALLIANCE

The good feelings created by the Jay Treaty had an effect on Anglo-American relations during the United States' dispute with France from 1797 to 1800. The British government was pleased that the two old allies were about to come to blows, especially since the conflict would help it in its own war effort against France. The British tried to prolong the Quasi-War in their favor by offering the American government military and maritime aid, and by cooperating with the United States when both governments wanted to wrest Santo Domingo from the French.

The British government was very quick to offer military aid to the United States because of the French Crisis. Even before the XYZ Affair, Lord Grenville sent Robert Liston the following instructions:

...If however a rupture should actually take place between the Two Countries or should appear highly probable, it is the King's Pleasure that you should express His Majesty's Willingness to afford a naval Protection to the Commerce of the United States against the Attacks of the Common Enemy.

Later, as news of the XYZ Affair reached the United States and Britain in May of 1798, Grenville told Liston that the sale of warships to the United States or the loan of British seamen to American vessels would certainly be acceptable, as
well as the sale of naval stores and other equipment needed to prosecute a naval war.13 In October, at Pickering's request, Grenville authorized a loan of guns to the United States that would be used to defend its coastline.14

The two nations also cooperated at sea. Before the United States had built up its navy so it could protect its own merchant ships from French warships, it depended completely on the British navy for protection in the West Indies area. The British obliged, and the cooperation became so organized that a system of identification was instituted to avoid accidental battles between ships. British convoys were also available to American merchants for voyages to and from Europe. American shipping was the safest it had been during the European war.15

Another area where the United States and Great Britain cooperated was in Santo Domingo. Both nations had distinct interests there. The British did not want Santo Domingo to be able to export its products, especially sugar. British West Indian sugar exports had increased greatly because Toussaint's revolution had brought French export to a grinding halt. Of course, Britain would have opened trade there if it could get some of the profit. The American government also wanted a cheap source of sugar, and it was also very much concerned about the effect that an independent black nation would have on its slave population.16
Because their interests were so similar, a mission was suggested in both the United States and Great Britain would negotiate exclusive trading rights with Toussaint. The British representative was Thomas Maitland, who had earned Toussaint's respect when he evacuated British forces, essentially recognizing the de facto independence of Santo Domingo. The American representative was Edward Stevens. They met with Toussaint and concluded an agreement in late spring of 1799. Beginning that summer, British and American traders had exclusive rights to trade out of Santo Domingo, a testament to the ability of the two nations to work together on foreign policy.47

Despite all the cooperation and friendship that the French Crisis created with Britain, it must be pointed out that each cooperated in its own best interest. Britain did not loan and sell war implements to the United States to promote any kind of rapprochement. The British did it because a belligerent United States could help their war against France. Toussaint was not pro-British, despite Maitland's earlier withdrawal, and the presence of the American Stevens certainly helped to smooth the negotiations.48 The American government realized that it was in need of assistance if war broke out, and Britain offered it. It would be a mistake to view the Quasi-Alliance as anything but opportunistic by either government. Some
difficulties between the two countries were not solved, precisely because it was not in either nation's interest to cooperate or compromise as they had done on other issues.

ETERNAL PROBLEMS: IMPRESSMENT AND NEUTRAL RIGHTS

The issues of impressment and neutral rights were simply too important to be solved by the rapprochement. The Jay Treaty did not even address impressment, and it also accepted British neutral doctrine and its liberal definition of contraband. To be sure, the British attempted to limit their seizures of American vessels and impressment practices, but both were vital to the British war effort and could not be abandoned. These issues would only be solved, ever so briefly, in March of 1802, with the signing of the Peace of Amiens, and they would continue to plague Anglo-American relations until the War of 1812.

Britain made an effort to make the neutral rights situation better with the United States after 1795. It streamlined its court system, so that cases could be judged in a reasonable amount of time, and it would occasionally remove British commanders who were overzealous in their seizures. But Britain refused to negotiate on the principles of neutral rights, such as an actual written definition of contraband. It was understandable. Great Britain simply
could not allow its enemy to trade and supply its colonies by sea and believe that it could win the war. The Americans accepted this fact in the Jay Treaty when it acknowledged British principles, but it did not solve the problem. American complaints over seizures, just or unjust, were still sent to the government.\textsuperscript{59} It was a problem that remained throughout the duration of the Jay Treaty and was a major cause of war in 1812, when seizures increased again after the resumption of war against Napoleon Bonaparte.

Impressment was an even more difficult issue. Britain continued to impress American sailors throughout the late 1790s. Britain refused to accept the American definition of citizenship, and would impress naturalized Americans who had once served in the British navy. The government claimed it was too easy to forge citizenship documents, and therefore mistakes would be made, and Americans impressed. The only attempt the British made at compromise was that they made it easier for American officials to handle individual cases in Britain and British colonial territory.\textsuperscript{51} Again, they would not compromise on principles such as citizenship or the right to raid an American ship at sea. They simply could not afford to compromise. Compromise on this issue, unlike reexportation or trade licenses in the West Indies, would have hurt the British too much.

This was the state of Anglo-American affairs in 1800.
True, there was cooperation and friendship on some issues, but only if it was in each nation's best interest to do so. Issues that were so important that they could not be solved during this time were simply left to smolder, ready to flare up at any time. In this regard, the Jay Treaty did not create a rapprochement, but rather it stabilized the relationship, which made it possible for the two nations to work together for mutual benefit. And when these beneficial situations no longer existed, the same huge problems threatened the relationship that had before November 19, 1794.
After the ratification and funding of the Jay Treaty, relations with the French Republic declined considerably. The French Directory, which became the executive council of the republic soon after Washington ratified the treaty, wanted to lure the United States back into its sphere of influence. It tried to do this by first interfering in the Election of 1796. When this did not work, the Directory attempted to bully the United States into giving up its pro-British stance through diplomatic coercion, which led to the XYZ Affair.

The Directory hoped that by being diplomatically harsh to the American commissioners, the United States would make concessions quickly, hoping to avoid conflict with France. But what the Directory did not realize was the negative effect that French interference had on American public opinion toward France, and the extent to which the United States wanted to maintain close relations with the British. The Directory overestimated the strength and resolve of the supposed "French Party" that would promote French interests in the United States against those of its own government.
The diplomatic crisis between France and the United States took place because French policy-makers did not truly understand American foreign policy motivations and goals, as well as the fact that no American, regardless of political orientation, would accept being bullied and bribed by a foreign power.

Fortunately, by July of 1798, as the Directory and the French foreign minister, Charles Maurice de Talleyrand-Périgord, began to hear of the incredible reaction against France's diplomatic techniques, they realized that their methods were only forcing the United States away, and making war very likely. Realizing that the plan was not working, Talleyrand began to normalize the situation, and by doing so, avoided full-scale war.

The Election of 1796

The Election of 1796 was the United States' first partisan election. President Washington had decided not to run for another term, so the election pitted John Adams against Thomas Jefferson. The election could be viewed largely as a test of the Federalist program. The most important issue on people's minds was the Jay Treaty. It was believed that Jefferson, if elected, would steer the nation back toward France, which is why the election became so
important to the French Directory. If France could help to get Jefferson elected, then perhaps the treaty could be nullified.

The election was going to be very partisan and divisive, regardless of French interference. A cohesive opposition had finally coalesced against the policies of the Washington administration. The leaders of this group were men such as Thomas Jefferson, James Madison, and Albert Gallatin. The opposition saw how President Washington himself had begun to practice politics, and they felt that he had become a member of the "British Party," which wanted to make the United States the puppet of the British. The Election of 1796, as the opposition saw it, would be the only chance to bring the United States back on a true course.¹

The Federalists were likewise preparing for battle, as they did not want to see the radical "French Party" take power and lead the United States down the path of destruction. But the Federalists had internal problems as well. When their great standard bearer, President Washington, decided that two terms had been enough work, the Federalist Party began to show signs of disunity. Although Alexander Hamilton did support Adams for the presidency against Jefferson, he would have preferred Thomas Pinckney as the Federalist candidate.² Although the split was minor in 1796, it grew during the Adams presidency, and it had its
effects on both the crisis with France and the Election of 1800. But at least in 1796, the Federalists were united in their desire to defeat Jefferson.

Into this incredibly tense atmosphere stepped Pierre Adet. The French Directory, believing that American public opinion was solidly pro-French, decided that the answer to their problems with the United States would be to "help" the American people rid themselves of an administration that did not properly represent their views. This policy, in reality, was hopelessly naive. The French did not understand that the American people would not take kindly to attempts to interfere in their political processes, and that the activities of Genet and Fauchet had weakened pro-French public opinion considerably.

Adet attempted to influence the election in a number of different ways. While he travelled around the United States campaigning for the Republicans, he implied that a vote for Adams was a vote for war. His diplomatic functions were suspended relatively early on in the campaign, and while he campaigned, he said that diplomatic relations would normalize once Jefferson was elected. He also wrote manifestoes decrying the effect that the election of Adams would have on Franco-American relations. The Directory in Paris tried to help the cause by decreeing that all neutral shipping would be treated by France as it was treated by Great Britain,
believing incorrectly that the merchant class would blame their government for the decrees and not the French. 6

But all the campaigning, decrees, and threats did not work. In fact, they backfired. American opinion of France dropped during 1796 because of Adet's interference and the commercial decrees. American public opinion was still pro-French at the beginning of 1796, but because of Adet, it became decidedly anti-French. Jefferson lost the election in all likelihood, because of Adet's actions. The Federalists used Adet's actions to prove that the Republicans were simply French pawns, and that a vote for the Federalist Party would be a vote for an independent government. 7 Many people voted for the Federalists because of Adet's actions, although they knew that it possibly meant war. It was better than being a puppet of the French government. The election of Adams to the presidency hurt Franco-American relations even more.

The Beginning of the XYZ Affair

The stage for the XYZ Affair was actually set before the election of Adams in 1797. The situation began because of Monroe's recall in 1796. It was this action which allowed the Directory to refuse the man sent to replace Monroe, Charles Cotesworth Pinckney, a relatively moderate
Federalist. It was this refusal, along with the suspension of Adet in the United States with no replacement forthcoming, that induced President Adams to send a commission to France to negotiate with the Directory. It was this group who met the infamous X, Y, and Z.

James Monroe was recalled from his post for a very basic reason: he was not supporting administration policy. In letters to the minister of exterior affairs, Charles de la Croix, he definitely did not defend the Jay Treaty and other American actions as well as he could have. He and Pickering quarrelled in the latter part of 1796. In June, Pickering accused Monroe of not doing his best to defuse the problems that the ratification of the Jay Treaty would cause with the Directory. In September, Monroe answered back that he had been keeping the Department of State apprized of the effect that the treaty was having in France, and nothing was done in the State Department to correct the French impressions of the treaty. He also defended himself on the grounds that he had done the best he could to "promote harmony between the two republics." The argument was moot, however, because before Monroe even wrote his reply, Pickering had sent Monroe's recall. In July of 1796, Hamilton suggested to the president that it would be best to recall Monroe, as he was doing too much harm. He endorsed C.C. Pinckney as Monroe's replacement, believing that he would be acceptable to the
Directory, as he was not against the French Revolution.\textsuperscript{11} Taking this advice, Washington asked Pinckney to assume the position on July 19. Pinckney accepted on July 27, and Pickering wrote Monroe, informing him of his recall on August 22, 1796.\textsuperscript{12}

The effect of Monroe's recall was disastrous. The Directory was convinced that Washington was clearly partisan, as he recalled one of the very few in his administration who shared and understood France's interests. The Directory gave Monroe a heartfelt send-off.\textsuperscript{13} Also the Directory at about the same time, decided to suspend the position of French minister. They relieved Adet, and appointed no one to take his place. He was to remain in the United States to campaign for the interests of France and to use his dismissal against the Federalists.\textsuperscript{14}

The crisis then reached critical proportions when de la Croix refused to accept Pinckney as minister until France had been treated justly by the United States. Pinckney was ordered to leave France in late January, when he withdrew to Holland. Then in March, the Directory issued another maritime decree which abandoned the free ships, free goods principle. This decree allowed the seizure of American ships, in direct violation of the Treaties of 1778.\textsuperscript{15}

The effect on the United States was tremendous. Many Federalists called for war. Republicans, of course, wanted
negotiation and discussion with France. But in general, France's actions and the March decree set off a new wave of anti-French sentiment. Adams' Cabinet, which was carried over from President Washington's, went to Alexander Hamilton for advice. Hamilton replied that the United States should send a mission to negotiate with France, but that the country should also be preparing for war. The Cabinet, taking Hamilton's advice to heart, counseled the president to pursue peace, but prepare for war. Adams then called for special session of Congress to meet on May 15 to discuss American policy toward France.

The XYZ Affair

Adams himself wanted peace, but like most Americans, he was not willing to sacrifice American honor. At the special session of Congress, which met on May 16, 1797, Adams was belligerent. Although he said he would attempt negotiation again by sending a commission to France, he spent much of the address discussing the need to increase the defense of the United States, both on the land and on the sea, especially in the face of the illegal depredations on American commerce. Although he did not want war, Adams was definitely prepared for it.

In April, the president had asked his Cabinet for advice
on certain issues concerning France. The Cabinet immediately sent the questions to Hamilton, who answered them. He said that France would probably accept an extraordinary mission, and that it should be sent, as the United States had nothing to gain from war. He suggested that the United States should offer equal treatment to the French government in any area that it felt Great Britain enjoyed advantage. 13

So with the whole Cabinet united on the concept of negotiation with defense, they discussed the membership of the mission. There was disagreement. Adams had at one time hoped that he could convince Thomas Jefferson to accept a position, making the commission bi-partisan, but the Vice-President declined the offer. Adams still wanted a moderate nominated to appease the Republicans. The rest of his Cabinet, however, wanted the commission to be completely Federalist, even though Hamilton had advocated offering a position to either Jefferson or James Madison. Adams compromised, nominating Francis Dana over his friend Elbridge Gerry to join John Marshall and Charles Pinckney in France. These names were confirmed by the Senate in early June. 13 Dana, however, was ill and had other personal concerns, and therefore declined to serve. Adams then offered the post to Gerry without discussing the matter with his cabinet. 13 Gerry accepted, and he was confirmed by the Senate. This action relieved Republicans, and made Federalists doubtful of
Adams' party loyalty. It also opened a schism between Adams and the Hamiltonians that would become a huge problem for the Federalists at the end of the crisis and in the Election of 1800.

All the commissioners had arrived in Paris by October of 1797. There had been a coup in July which led to the dismissal of some of the Directors and brought Talleyrand to the foreign office. The commissioners called on Talleyrand as soon as Gerry arrived in Paris, and Talleyrand told them that their official recognition would take place as soon as a report on Franco-American relations had been submitted to the Directory. The commissioners, however, were never officially recognized.

A few days after meeting with Talleyrand, problems began. Pinckney was informed that the Directory objected to some aspects of Adams' speech of May 16, and that his actions would have to be explained. Later, on October 18, a man named Jean Hottinguer, who was referred to as Mr. X in the dispatches submitted to Congress, visited Pinckney. Hottinguer told Pinckney the price of negotiation would be the following: an explanation of Adams' speech would have to be given, a bribe would have to be paid, and as a loan would have to be made. Pinckney asked for the terms of negotiation in writing, which were given to the envoys on October 20. Hottinguer and another man named Pierre Bellamy, referred to
as Mr. Y. gave the commission the terms. First, Adams' speech would have to be explained. Second, the Directory demanded that the United States government pay the reparations due to American citizens because of the March 1797 decree. Third, the Treaties of 1778 would have to be renewed, with France being given the same rights that were given to the British. Fourth, a loan would have to be given to the French Republic, as well as a bribe. The Americans answered back that they did not have the authority to grant France a loan, that they only had the power to negotiate a treaty.21

The days after that were similar. Talleyrand's agents attempted to convince the envoys that they did have the power to make a loan, if they so chose. They also met a third man, Lucien Hauteval, who was Mr. Z. It was a difficult time, because neither side was budging, and it appeared that no one would. The ministers were not recognized, and they would not be until they gave in to Talleyrand's demands. The French agents also tried to impress the consequences of failure on the Americans. But they would not give in.35

The envoys then tried other ways to gain recognition. On November 1, the Americans decided that they would no longer communicate with unofficial representatives of France. Talleyrand still refused to recognize them. Then on November 11, they wrote a letter to Talleyrand officially asking for
recognition. That again did not help, as he did not even reply. It seems to the Americans that the mission was going to fail. The mission stagnated until January.

During the time in which the Americans refused to grant a loan and negotiations were at a standstill, Talleyrand went about dividing the envoys. He found that Gerry was much more receptive to compromise than were Marshall or Pinckney. So he began to have private meetings with Gerry, in which he tried to convince him of the French position. Meanwhile, Marshall and Pinckney were becoming increasingly discouraged and started to think about returning to the United States. In January, Marshall began preparing a memorial that would clearly state the American position and their willingness to negotiate with the French. If they could not negotiate, they wanted to leave France. It was difficult for Marshall and Pinckney to convince Gerry to sign the memorial, but he did and it was sent to Talleyrand on January 31.

In February, some progress was made. Gerry continued to meet privately with Talleyrand, and in doing so, he told Gerry that the most important issue was the loan, and no new treaty could be negotiated without it. Talleyrand surrendered on the other demands such as the explanation of the May 16 speech and the bribe. Talleyrand, in discussions with the Directory, also decided to stop seizing American ships in April.
Talleyrand did a very good job of convincing Gerry that if the loan was not made there would be war. The envoys split on the loan issue, with Marshall and Gerry disagreeing over the possibility of war. At that time, Talleyrand decided that he would negotiate only with Gerry, and endeavored to force Marshall and Pinckney out of France. This was accomplished in March, after Talleyrand had replied to the American memorial of January. For Marshall and Pinckney, the situation had not improved as the loan was still required, so they asked for their passports. Talleyrand granted them happily, but he also convinced Gerry that if he left there would be war between the two nations so he decided to stay in France to keep the peace. Pinckney and Marshall gave up the mission in late April.

The failure of the mission rested clearly on Talleyrand's shoulders. He thought that by threatening war, he could force the United States into a favorable settlement for France. But he did not fundamentally understand that the Americans could not accept his form of diplomacy, and he let his game carry on much too far. He also did not realize that the American public would react as angrily as they did when they heard how their commissioners had been treated. He thought that the French partisans in the United States would be able to stop any American ideas of war. What he did not realize was that many of those French partisans began to call
The Effect of the XYZ Affair in the United States

The effect of the XYZ dispatches on the United States was very great. The affair clearly demonstrated to the American people that France did not care at all about peace or the alliance with the United States. Even some Republicans, once they had seen the dispatches, were forced to admit that war was the only alternative. The affair created a frenzy during the summer of 1798, which has sometimes been referred to as the "Black Cockade Fever." Any American who sided with France was considered a traitor, and there was no effective opposition to Federalist war and defense measures. The only barrier, ironically, was the president himself, who refused to declare unlimited war. It was Adams' doctrine of maintaining peace that split the Federalist Party between the moderates and High Federalists, which allowed the Republicans to rebound after 1798.

The first dispatches from the envoys were received by Pickering on March 4, 1798. President Adams decided that some of the uncoded dispatches were very important and should be immediately communicated to Congress, and he did so on March 5. As the rest of the dispatches were decoded, Adams
realized that the mission was a failure and that war might be necessary to maintain national honor. On March 13, he wrote a letter to the Cabinet in which he asked two questions: 1) should he present the dispatches to Congress, and 2) should war be declared. His Cabinet advised against war, but an increase in preparation. Adams actually wanted to go to war very much, and he wrote a war message, but then he realized that in order to get a war declaration he would have to submit the dispatches, which would endanger the envoys, so he scrapped the message. He felt that the United States, for the sake of commerce, also had to fight against the January decree which followed the "enemy goods, enemy ship" doctrine. He decided to wait for the American people to rise up against French insults, thereby giving him the declaration he wanted.

On March 19, he sent a message to Congress stating that he considered the mission over and declared limited hostilities against France. Four days later, Pickering wrote to the commissioners, officially closing the mission and ordering them to return to the United States. Needless to say, the Republicans were dismayed at the president's actions and they wanted more proof of the failure of the mission before they would pass any war measures. This was exactly what Adams wanted, an excuse to disclose the dispatches. He knew that disclosure would ruin the French cause in America.
After strong debate, the House passed a resolution demanding the president submit all the dispatches, without deletions.¹¹

The Republicans had been tricked. Once they saw what was in the dispatches, they knew that war was unavoidable if the dispatches were published for the general public. The House Republicans tried to stop a publication resolution, but on April 6, it passed. The real crisis for the Republicans was just beginning.¹¹

The Federalists acted quickly to take advantage of the situation the publication of the dispatches put them in. Although some Republicans like Jefferson believed that the United States would only have to apologize for the May 16 speech to make settlement possible, many Republicans began to support the war measures. Public opinion also changed rapidly as well, with many pro-French people reacting angrily to French disrespect.¹³

Federalists in Congress began to propose defense bills in earnest. Hamilton, although not suggesting total war, did advocate the arming of merchant vessels, the creation of a navy large enough to "cruise our coast and serve as convoys to our trade," and the suspension of the Treaties of 1778.¹⁴ Most Federalists generally agreed with these programs.

Adams began war preparation by creating a Department of the Navy in April, appointing Benjamin Stoddard to head the department. The Congress also authorized the building of
twelve warships.\textsuperscript{15} Congress then allowed for an increase in the size of the regular army. In July, Adams ordered James McHenry, the Secretary of War, to visit Washington with the purpose of asking him to become Commander-in-Chief. He also told McHenry to ask Washington for his thoughts on who should lead the army.\textsuperscript{16}

The Republicans were able to stop a measure that would annul the treaties with France. Because there was no word whether the mission had truly failed, Federalists were not able to convince enough members of Congress to pass the bill. They were, however, able to pass an embargo on French goods, and the Congress also prohibited French ships from entering American ports.\textsuperscript{17}

Federalists also began to attack Republicans. Republican newspapers, such as the Aurora, wrote that a war was not worth all the trouble and expense if an apology was all that was needed. For such views, the editor of the paper, Benjamin Franklin Bache was personally assaulted, and Federalists also attacked his home. Federalists also began wearing a black cockade similar to the ones that were worn by revolutionary soldiers, and fights soon started between the wearers of the black cockade with those who dared to continue to wear the French tricolor.\textsuperscript{18}

In spite of all that was happening in the United States, Adams did not declare war. He kept looking for some hope for
peace. He found it in the return of John Marshall. Although Marshall was greeted as a hero who defied the French in Paris, and he played the role in public, privately he told the president that the Directory did not want war. He believed that France was simply using the threat of war as diplomacy.[^9]

Problems then began to brew within the Federalist Party over the war measures. Adams did not believe that the strengthening of the army should be the main goal of the war measures. He felt that if a war would be fought, it would probably be at sea. The Hamiltonian Federalists, however, were much more concerned with the building of the army, as they were much more worried about a possible French invasion. But there were also personal reasons for Adams' decisions. He knew that Washington would most probably come out of retirement to lead the army, but he did not want to put Hamilton in a position of power. Washington accepted Adams' offer on the condition that he could appoint his own staff. His choice for second-in-command was Hamilton, and Adams certainly did not want to contribute in any way to Hamilton's success and glory. But his Cabinet, being Hamiltonian, supported the appointment of Hamilton, which only increased the bad feelings within the administration.[^10]

The war preparation continued into the summer of 1798. High Federalists continued to call for war while Adams
remained undecided. The Alien and Sedition Acts had been passed, and the Navy was strengthened even further. In July, Adams finally abrogated the treaties with France. Adams also tired of Gerry’s informal negotiations, so Pickering finally ordered him home in late June. A tax was passed on property and slaves that would haunt the Federalists later as the possibility of war lessened. In spite of all the war preparation, peace was in the offing. Through Marshall and other sources, Adams began to become convinced that the French did not want war.

Talleyrand’s Reaction

In May, Talleyrand received word of the American reaction to the XYZ dispatches. It became clear to him that his peculiar version of diplomacy was not working. The United States was not intimidated, but emboldened. He immediately took steps to avoid full war. He first tried to pretend that he was ignorant of any bribery attempts or unofficial negotiators. When this did not work, he informed Adams very indirectly that he was interested in peace. Adams, whose enthusiasm for war was waning in the face of Federalist infighting, took the offers seriously.

Talleyrand tried to impress upon Gerry the fact that he did not want war while Gerry was still in Paris. But Gerry
had received his orders from Pickering, and desperately wanted to leave Paris. Talleyrand hoped that Gerry would request the power to treat from Adams, so war could be averted. Talleyrand even gave up all of the original demands, and promised to stop the depredations on American shipping. Despite the progress, Gerry left Paris for the United States in late July.\footnote{1}

Talleyrand did not rely completely on Gerry for success. He also decided to send a man named Louis Pichon to The Hague to meet informally with William Vans Murray, who was the American minister to Holland. Murray was important because he was a close friend of John Quincy Adams, who watched events in Europe for his father. This was a relatively easy way for Talleyrand to get his message to Adams without embarrassing France excessively.\footnote{1}

Pichon began talking with Murray in June. Talleyrand's plan worked. Murray began to write to J.Q. Adams almost immediately, professing that France did not want war. Murray, playing along well, asked the Dutch government to convince the Directory to offer President Adams the assurances that he had asked for in his June 21 address, that he wanted a guarantee that any minister sent to France would be accepted properly. After receiving a number of letters from Talleyrand through Pichon professing a desire for peace, in October Murray finally received the direct assurances that
he had asked for. He immediately forwarded this letter to Adams, and peace was at hand. 41

Talleyrand and the Directory were the linchpins of the crisis. They did not want war, but they devised the policies of bribery, loans, and seizures which made Americans very angry. The Americans felt that their national honor was at stake. It is clear that neither Talleyrand nor the Directory had any clear understanding of American public opinion. Americans, even those in the "French Party," were pro-American, not pro-French. Republicans after April of 1798 did not oppose war on principle. They, like the Federalists, felt that the French were in the wrong. They simply felt that peace could have solved the problem with less cost. Once Talleyrand realized the true nature of American resolve, he immediately removed all conditions that stood in the way of negotiations. After all, France, like Great Britain, was already in a war and it could not afford another. Talleyrand took a risk with the United States, and lost badly.
As 1798 wore on, Talleyrand continued his peace efforts. The decrees against American shipping were lifted, and his guarantees to Adams that a minister would be accepted properly became more official. Convinced that peace was at hand, Adams decided to normalize relations with France. He nominated William Vans Murray as minister to France, and set up a second commission which was charged with resolving the conflict. While this commission did eventually produce the Convention of 1800 and ended the naval warfare that had begun in 1799, Adams' interest in peace also had effects on the nation and the Federalist Party.

High Federalists were disappointed with Adams' peace initiatives. They were much more concerned with the possibility of invasion from France, and less trusting of Talleyrand. Adams did not lose his interest in war only because of Talleyrand's overtures. He also did not want to give Hamilton or his Cabinet any more power or responsibility than he had to. He wanted the Federalist Party to be his, not Hamilton's. So he sent the peace commission despite the objections of his Cabinet and later dismissed Pickering.
Peace was attained, but the High Federalists never forgave his actions, and actively campaigned for his defeat in 1800. This allowed for the Republican Party, which took advantage of the ensuing peace in ways the Federalist Party could not, to rehabilitate itself and take the Election of 1800.

Informal calls for peace continue...

Talleyrand continued his "negotiations" with Murray through Pichon through the rest of 1798. He continued to assure Murray that any minister would be accepted properly, and he also professed in August of 1798 that he did not see "any clashing of interests, any causes of jealousy." Pichon communicated these feelings to Murray, and Murray then wrote Adams. The Directory had decided to cancel the decrees against American shipping which removed one of the biggest complaints against the French government. It lifted the embargo on American ships a few weeks later.

George Logan, who went on a personal peace mission to France, also contributed to Adams' belief that war was unnecessary. When he arrived in France, the Directors treated him very well, and they openly discussed issues with him. He was told that France desired nothing but peace with the United States, and that France would soon halt any actions that were hurting the United States. He was also
told that the Directory hoped that the government in the United States would be replaced by Jefferson, but that they would do nothing to interfere with the American political process. The French had learned at last that internal interference in another nation's elections often did more harm than good and they were not going to do it again.

Logan's stay in France was short; he arrived back in the United States in November with his message of peace. Adams met with Logan in late November, and he explained to Adams that the Directory would accept any man that the president saw fit. Elbridge Gerry also arrived in the United States at about the same time, and he essentially told Adams the same story. The French wanted peace, and they were willing to follow Adams' terms.

Then in October, as mentioned in the previous chapter, Murray received absolute positive assurances from Talleyrand that a minister would be accepted as a representative of a "free, independent, and powerful nation." Adams received this news from Murray in February of 1799. Once he received such an unequivocal message, Adams decided that a new mission should be sent. He nominated Murray as minister to France on February 18, 1799. High Federalists like Hamilton and Pickering were displeased, as they were not convinced of Talleyrand's sincerity. Pickering himself felt that Adams should not be influenced by what he saw as Gerry's
inconsistent opinions of French attitudes; opinions did not prove sincerity in such an important matter. Although Pickering had expressed his concerns to Adams a few days before the arrival of Talleyrand's letter in early February, High Federalist opinion of Talleyrand's motives remained the same after the arrival of this letter. High Federalist members of the Senate attempted to block the nomination of Murray. In discussions with an ad hoc High Federalist Senate committee, Adams told them that if the nomination was rejected, he would then appoint a commission. The High Federalists then decided to reject the nomination. In its place, Adams nominated Murray, Oliver Ellsworth, and Patrick Henry to the commission. Henry, who had been extremely sick in the months preceding his appointment, declined the nomination. Adams then nominated William Davie to fill the position.

Talleyrand's peace initiatives divided the United States. The Republicans saw them as proof that France was still the friend of the United States, and that the war measures and Alien and Sedition Acts were unnecessary. The American people also began to tire of the half war, half peace condition that the United States was in, and they started to demand changes in policy, especially in the area of taxes. Adams' decision to send a mission to France shocked many Federalists, and Adams had to fight with his
Cabinet and Alexander Hamilton to get the mission under way. The Republicans were overjoyed by the reports of Gerry, Murray, and Logan when they arrived in the United States. The reports, in their eyes, showed that France had never wanted war, and that the Federalists had been exaggerating the potential danger to the United States. Jefferson, in fact, saw the XYZ Affair as a "dish cooked up by Marshall." The Republicans began to attack the Federalist program with renewed vigor as Federalist support waned in 1798. Jefferson and Madison wrote the Kentucky and Virginia Resolutions attacking the Alien and Sedition Acts, and Federalist measures began to stall in Congress. The Republicans were able to take advantage of the public outcry against taxes and the Alien and Sedition Acts, and in their opposition to the unnecessary Federalist program, they were able to regain much of the support they had lost after the publication of the XYZ Dispatches.

The American public's resolve against France began to decay in the Fall of 1798. Americans were expecting a declaration of war immediately after the disclosure of the XYZ dispatches. The crisis wore on into the Fall, and then reports started coming in that France wanted peace on America's terms. To the ordinary citizen, this was enough to satisfy American honor. He was no longer interested in Federalist war preparation, and he especially disliked having
to pay a direct tax to finance a war that, to his mind, was never going to happen. Many people also began to protest against the Alien and Sedition Acts as well.

The most vivid example of public outcry against Federalist policy was Fries' Rebellion. In early March, Germans in the Pennsylvania counties of Northampton, Bucks, and Montgomery began to rebel against the property tax that had been passed in July. A number of armed men on March 7 rode to the jail in Bethlehem, Pennsylvania, where people who had demonstrated the day before against the tax were being held. The marshal of the town was frightened by the show of force, and released the demonstrators. President Adams issued a proclamation condemning the action, and ordered the militia in Pennsylvania to maintain the peace and insure the collection of the tax. The militia was able to quickly capture John Fries and the other leaders of the rebellion. On May 9, Fries was convicted of treason and sentenced to be hanged.

Federalists like Pickering tried to use the rebellion to undercut the peace talks, saying that the rebels were influenced by the French government. Adams, who was firmly committed to peace by May, disagreed, and began to consider whether Fries had actually committed treason against the United States. In May of 1800, just before Fries' sentence was to be carried out, he wrote his Cabinet asking for their
opinion on the nature of Fries' crime. They replied that Fries had indeed committed treason and the sentence should be carried out, although Charles Lee and Benjamin Stoddard felt that only the hanging of Fries was sufficient for public demonstration and the other convicts could be shown mercy. But both of those men would have rather seen the execution of all the convicts, rather than the pardon of all three. Despite the opinions of his Cabinet, Adams decided on May 21 to pardon all three men, and all the other participants in the rebellion.

The pardon of Fries and the other rebels had a divisive effect on the Federalist Party, but the party had been split ever since Adams first nominated Murray as minister to France in February of 1799. After the war measures first passed Congress and Washington was appointed Commander-in-Chief, with Hamilton as Inspector General despite Adams' objections. Hamilton put forth all his efforts to raise and organize the army. Although Hamilton supported the sending of the first mission to France, he was definitely focused on the possibility of war after the Summer of 1798. Almost all his letters after his appointment had something to do with the army. It was his job to report to the Secretary of War and Adams during this period, and he did so on a regular and frequent basis. It is very difficult to gauge Hamilton's opinions on the peace commission because of his focus on the
army. Later writings indicate that he felt that the United
States had very little to gain from war.20

High Federalists, for the most part, simply assumed that
Talleyrand was tricking Murray and others and that there
would eventually be war. This created problems as the
American public began to favor peace once again. The High
Federalists had no program except war. As peace overtures
continued and people accepted them, the Federalists continued
to push for war measures, despite the fact that they were
becoming unpopular. To be sure, the Moderate Federalists who
supported Adams did favor the peace mission, but the High
Federalists lost much of the popularity that they had gained
during the Summer of 1798. The High Federalists' inability
to adjust to the peace initiatives, regardless of their
validity, caused the Federalist Party to split and to lose
popularity among the people.

The Quasi-War

Ironically enough, actual hostilities between American
warships and French warships did not begin until Talleyrand's
peace overtures were on their way to the United States.
Warfare between the two nations was limited in nature. There
were no invasions; no armies clashed. There were a number of
 naval engagements: first, between armed privateers and French
vessels, and later between the American Navy and French ships. The newly built American Navy had a very good showing in the limited action that it saw between the middle of 1798 and 1800.

Some of the American success in the Quasi-War has to be credited to the British. The British Navy had previously fought with the French Navy and armed privateers, thereby removing much of France’s naval capability in the western hemisphere. Also, as discussed in Chapter Three, the Americans and British did form a Quasi-Alliance in which the two navies worked together against the French in the Caribbean area. Much of the protection that American merchants needed to ship their goods was provided by British convoys, making the job of the American Navy much easier than it could have been.

This is not to take away from the rather spectacular victories that American warships achieved against the French. Victories by the Constellation and the Constitution over L’Insurgente and La Vengeance earned the respect of the European powers and allowed the United States to regain its national honor. Captain Thomas Truxtun of the Constellation became a national hero through his deeds during the Quasi-War. By early 1799, the increased insurance rates that shippers had to pay because of increased French depredations had once again been reduced to pre-war levels because of the
activities of the American Navy. The American Navy had much to be proud of. 

The Sending of the Commission

President Adams had difficulty sending the commission to Paris. Although public, Republican, and Moderate Federalist opinion all favored the sending of the commission, Adams had problems with the High Federalist members of his own Cabinet. Although High Federalists tried throughout 1799 to block the commission, Adams was convinced that his peace policy was correct, and he went ahead of it despite the objections of Pickering, Wolcott, and McHenry, which deepened the split between the Hamiltonians and the Moderates even further.

As has been mentioned before, Timothy Pickering was greatly dismayed at President Adams' nomination of Murray. He felt that Talleyrand had done a masterful job of fooling Gerry, Logan, and Murray, and that the policies of the French government had not really changed. Alexander Hamilton expressed concern that a resolution to the problems with France would lead to war with Britain. High Federalists were also concerned about the stability of the French government, which had suffered a purge in June. This coup temporarily removed Talleyrand from the foreign office. Concerns such as these led them to try to stop the peace
mission. The High Federalist Cabinet members were glad to find in March of 1790 that Adams wanted to demand harsh terms from the French. First, Adams wanted the French to pay for all spoliations; second, he did not want ships to have to carry a rôle d'équipage; and third, Adams wanted to remove the United States guarantee of the French West Indies. Pickering believed that these terms would be too harsh and the mission would fail.\textsuperscript{11}

Pickering also attempted to stop the mission on the basis that the American government had never received actual official assurances that a minister would be accepted properly. He sent a letter to Murray in March ordering him to inform Talleyrand that ministers had been appointed to negotiate in Paris, but that they would not be sent until the American government obtained absolute assurances that the ministers would be received directly and unequivocally by the Directory according to the law of nations.\textsuperscript{24} Talleyrand responded to Murray's request on May 12, giving these official assurances.\textsuperscript{25} These assurances reached Adams in early August, which renewed Adams' resolve to find a peaceful solution.

After this defeat, the High Federalists used the news of the French coup of June as a reason for suspending the mission. But Adams wanted to send the mission, so on the suggestion of Charles Lee and Benjamin Stoddard, who
supported the mission. Adams travelled from Massachusetts to Trenton to discuss the commission with his Cabinet. He arrived on October 10, where he met with his Cabinet and Alexander Hamilton, who had also travelled to Trenton to discuss the issue with the president and the Cabinet. The High Federalists argued that the mission should not be sent as the French government was not stable and that it might endanger the relationship with Great Britain. The president answered back that he believed the peace overtures to be genuine. Hamilton even tried to convince the president to give up the mission, but his decision was made. On October 16, he wrote a note to Pickering asking him to deliver the commissions of Ellsworth and Davie and to inform them that they were to leave the United States before November 1. He did not consult his Cabinet on the final decision, which convinced the High Federalists on his Cabinet that he could no longer be trusted. This would have its effects later during the Election of 1800.

The Peace Negotiations and the Convention

Oliver Ellsworth and William Davie arrived in Lisbon on November 27. Upon arriving the mission ran into potential problems, because Napoleon Bonaparte had overthrown the Directory in early November, and their credentials were made
out to the Directory. Bonaparte, however, wanted peace and he indicated that he would accept the ministers as planned. The two Americans then travelled from Lisbon to Paris, where they met Murray on March 2, 1800. After their arrival, Talleyrand wrote the Americans a letter in which he informed them that Joseph Bonaparte, Bonaparte’s brother, Pierre Roederer, and Charles Fleurieu had been named to negotiate with them. He also informed them that they would meet with Bonaparte on March 7. The negotiators exchanged credentials on April 2, in the home of Joseph Bonaparte.

The instructions that Adams gave to the envoys were firm. The most important objective for the Americans was French compensation for its illegal seizures. The resolution of this issue was a sine qua non to further negotiations. The Americans were not to guarantee any French territory in a new treaty, and they were not to give a loan to the French government. There was to be no carry-over of obligation from the old treaties; only the conditions of the new treaty would be binding. Essentially, the Americans wanted to kill the Franco-American alliance and seek compensation for the seizures.

The instructions for the French ministers were basic. Bonaparte wanted to embrace liberal neutral trade principles, as France desperately needed the neutral carrying trade. The
French negotiators were also told to revive the old treaties and gain the same rights as the British were given in Jay's Treaty. They were told that these issues had to be resolved before damages would be discussed.  

The instructions were incompatible in essence. The Americans wanted to discuss damages first, the French would not discuss them until the other issues were resolved. The Americans were told to conclude a new treaty; the French were instructed to revive the old ones. These issues caused the most trouble throughout the negotiations.  

The Americans began the negotiations in April by raising the issue of compensation. They suggested that claims should be decided by a board, similar to the boards that were set up in the Jay Treaty. The French replied that they recognized the existence of the claims but that they depended on the status of the old treaties. Therefore, the treaty issue would have to be concluded before the claims issue could be discussed. This contradicted the Americans' instructions to the letter. Essentially, the Americans would have to recognize the Treaties of 1778 before damages would be discussed. They were ordered not to do this.  

The problem for the Americans was that the claims that they made were defined only within parameters of the treaties they wanted to cancel. They could not claim that the United States and France were in a state of war, as that would
release the French from any obligations under the treaties. The French seizures were illegal because they broke the principle of "free ships, free goods" that was outlined in the Treaties of 1778, which the Americans wanted to cancel. If the treaties were canceled then the principles in them could not be used.

This problem caused the negotiations to stall by the end of May. The parties simply did not have a common ground from which to negotiate. The impasse continued until July, when the French ministers offered to renounce the old treaties, but they also refused to pay the indemnities. They also demanded equal treatment in the new treaty. The Americans realized that this might have been the best that they could do under the circumstances. Bonaparte's leadership had strengthened France, and negotiations were under way to end hostilities in Europe. As previously discussed, America's success in the Quasi-War was in large part caused by cooperating with the British against the French. The United States would obviously be in great danger if it were forced to face French forces without allies. The envoys decided to break with their instructions.

Bonaparte had his own reasons for wanting to conclude matters with the United States. After he defeated Austria in Europe, his main concern became Great Britain. He devised a plan in which he could isolate Britain. He wanted to do this
by reestablishing the league of armed neutrality, and by coaxing Russia to abandon the Second Coalition by offering Malta to the Tsar. He wanted to include the United States in this group of maritime neutrals that would defend its shipping rights against Britain. He wanted to insure that the principle of "free ships, free goods" remained intact in the new treaty, and he was willing to negotiate other aspects of the dilemma, such as offering to conclude a new treaty, to insure that America defended its neutral rights against Britain.35

There was some disagreement among the American commissioners on France's new proposals. Murray was willing to give up compensation in order to rid the United States of the old treaties. Ellsworth and Davie wanted France to pay compensation. The commission decided to proceed under the latter idea and accepted the French suggestion to reinstate the old treaties, which kept the compensation issue alive.36 The Americans then set about attempting to rid themselves of the troublesome sections of the old treaties.

The Americans suggested that either nation be given seven years to buy itself out of certain conditions of the old treaties. For example, either nation could free itself from Article IX, the mutual guarantee provision, by paying five million francs within seven years. Likewise, either nation could pay the other three million francs to reduce
rights concerning privateers and prizes to most-favored nation status. The Americans also tried to remove Article XVII of the Treaty of Amity and Commerce, which stated that inhabitants of either nation could not do harm to the persons or property of the other nation. They proposed that the other articles of this treaty should be modified to conform with most-favored nation status.

The French did not accept this proposal, claiming that because the Americans were trying to remove Article XVII, that they were offering essentially a new treaty and therefore indemnities would not be due to American citizens. The amounts that the Americans proposed to pay to rid themselves of the alliance clauses were less than the amount that the French would have to pay for its seizures. It would not have been favorable to the French to pay the seizure claims. The French envoys then proposed that the old treaties would remain in force, and commissions established to judge claims. They then added a proviso to Article XVII which stated that no refuge could be given to a ship which held the property or persons of either nation. If the United States could not comply with this addendum to Article XVII within seven years, then the French would not have to pay American claims. In essence, the French were forcing the Americans to disallow the article in the Jay Treaty which allowed British ships to bring French prizes into American
ports. This was unacceptable to the Americans, as that conflicted directly with their instructions, in that they could not compromise treaties with other nations. This proposal was rejected, and the French ministers then proposed on September 4 to relinquish French rights under the old treaties, so long as the United States paid the claims of its citizens. This was just as unacceptable and the negotiations once again deadlocked. The French were simply not going to pay for illegal seizures and grant the United States a new treaty at the same time.

The American commissioners decided at this point that some agreement was better than no agreement. This became especially important to the Americans as the war in Europe was showing signs of abating. They could not be in a state of hostilities against Bonaparte alone. Likewise, Bonaparte wanted to bring the United States into the neutral fold against the aggressions of Great Britain. Under these conditions, a temporary agreement was reached.

The Americans suggested on September 13 that the two countries should make a temporary agreement which would end hostilities, leaving the more divisive issues for later. The commissioners quickly came to agreement, with the French offering the principle of "free ships, free goods" to strengthen Bonaparte's neutral rights policy against Britain. The convention was signed early in the morning on October 1,
although the date on the convention itself was September 30. There had been some disagreement over the name of the convention. Bonaparte wanted to make it a treaty, which would add to his reputation as the defender of neutral rights in the eyes of the maritime powers. The Americans simply wanted to call it a convention. After some bickering, they decided on "provisional treaty." Later, Bonaparte suggested convention, as that sounded better than "provisional treaty." The Quasi-War was finally over.

Peace, American Reaction, and the Election of 1800

The French government took immediate steps to insure that nothing would ruin the peace. Talleyrand ordered French agents in the United States to begin to normalize commercial relations, and Pichon was sent to the United States to replace the ailing Letombe as chargé and to continue the process of normalization. Not only was Pichon ordered to reestablish commercial relations, but he was also to make sure that depredations in the West Indies stopped, as France agreed to pay for any depredations that took place between the signing and the ratification of the convention.

The convention had difficulties in the United States. High Federalists considered the convention a disgrace to national honor. Jefferson, although he did support
ratification, believed that "it has some disagreeable features" and that it would not be popular.\(^4\) Hamilton, likewise supported ratification. He thought that the convention ending hostilities was better than what a Republican president might do later on.\(^4\)

Despite the lukewarm support of some High Federalist leaders such as Hamilton for the convention, High Federalists in the Senate nevertheless rejected it on January 23. They were especially concerned that Bonaparte wanted to use the principles in the convention against British maritime practices, and they were afraid that this might caused a problem in Anglo-American relations. Rufus King, however, in a meeting with Lord Grenville found the British were not insulted at all. Moderate Federalists praised the fact that the United States had finally gotten rid of the confining aspects of the 1778 treaties, and that this was worth the sacrifice of the indemnities issue.

There was enough support from both Federalists and Republicans to approve the convention in the Senate, however. So Adams decided to resubmit it on February 3, and it passed. The biggest factor in many vote changes was that the convention was popular among traders and shippers who wanted commercial relations with France restored. There were changes made to it by the Senate. They eliminated the section of the treaty that did not set a time limit for the
negotiation of the outstanding issues and also limited the duration to eight years instead of it lasting forever. Although Adams did not like the adjustments, he ratified the convention shortly before he left office.¹⁵

William Vans Murray was once again called on to go to Paris. This time, his duty was to conclude the negotiations and exchange ratifications. It was far from a simple exchange. The French government did like that the Senate had abolished the old treaties by eliminating the second article of the convention. Talleyrand stated that if the old treaties were done away with, there would be no indemnities. Once again, the two nations were negotiating from irreconcilable grounds. If someone did not compromise, the convention would not be ratified and hostilities would continue. Murray decided once again to break his instructions. He accepted the French demand and gave up the United States' right to the indemnities. Peace, however, was official; the ratifications were exchanged on July 31, 1801, almost six years to the day after the treaty that created the crisis was ratified.⁴⁶

Peace was not the only effect of the negotiations. However, in the United States, there were far reaching effects. As the Election of 1800 approached, the Moderate and High Federalist split had become more pronounced. The High Federalists believed that Adams had not been a good
party man throughout the crisis with France, and they
endeavored to replace him with someone who was more
acceptable. Throughout 1800, High Federalists attacked
Adams, and it did help to remove him from office. Federalist
disunity had the effect of putting both the Republican
candidates, Jefferson and Aaron Burr, ahead of both the
Federalist candidates, thereby making a Republican victory
certain.

The High Federalists originally hoped that they could
convince George Washington to run, which would have unified
the party. With his death shortly after the departure of the
peace commission, however, the High Federalists had to look
elsewhere. This insured Federalist disunity, as Washington
was the only figure who could unite all Federalists.

The High Federalists chose Charles Cotesworth Pinckney
as their unofficial candidate. As this fact became clear to
Adams in early 1800, Adams became more angry at Hamilton and
his followers. This caused him to remove those members of
his Cabinet that supported Hamilton, Pickering and McHenry.
Although Wolcott was an ardent Hamiltonian, Adams retained
him as Secretary of the Treasury. He forced McHenry's
resignation on May 6 and outright fired Pickering on May 12.
He basically accused both of them of being loyal only to
Hamilton, not to his administration. He appointed Samuel
Dexter to head the War Department and John Marshall to head
the State Department, both of whom were Moderate Federalists. This only added to the Federalist split. It must be noted that Adams, who was the Federalist Party leader, did nothing during 1800 to heal the wounds of his own party. While his Cabinet and Hamilton disagreed with him on the chances for peace, they were in fact executing his policies in their various capacities. The split became permanent only when Adams stopped going to his Cabinet for advice and later dismissed Pickering and forced McHenry's resignation. Only then did Hamilton and the High Federalists begin to campaign actively against Adams.

The Republicans also contributed to their own victory. Realizing that political factions were a fact of life, they became an organized group during the campaign. They were able to make good use of peace and their increasing popular support. Along with the Moderate Federalists in Congress, they were able to suspend the formation of the army in February, and they were able to stop new war measures that the High Federalists proposed. They also did well in the state elections of New York and Massachusetts, where Gerry came very close to winning the governorship. The Republicans in New York, under Aaron Burr, were able to carry the whole of New York City, which had traditionally been Federalist. The Republican victory there gave them a majority in both houses of the New York legislature, which meant that all of
New York's electoral votes would go to the Republicans in the fall. This was an electoral victory for the Republicans, as New York had been Federalist in the Election of 1796. This forced the Federalists to find another source of votes to make up for the loss, which they did not. 44

The effect of the Federalist split and Republican campaign tactics was a Republican victory. The two Republican candidates, Jefferson and Burr, tied for first place with seventy-three votes a piece. Adams finished with sixty-five, and Pinckney garnered sixty-four. 50 The election was then thrown to the House of Representatives, which was charged with the task of declaring a winner. Ironically, the Federalists had been given a measure of control by the tie, as they could vote for whoever promised to be the most "friendly," Jefferson or Burr. Many Federalists wanted to vote for Burr, who was more anti-French than Jefferson. 51 But Hamilton, who absolutely hated Burr, placed his influence firmly behind Jefferson. 52 The effect of this was almost a deadlocked House. Many Federalists voted for Burr, and the session went a full thirty-six ballots until Jefferson was selected. The Delaware representative, James A. Bayard, who had been voting for Burr, decided to change his vote to Jefferson because it seemed to him that the House was headed toward creating a national crisis if a deadlock persisted. Jefferson was elected on February 17, 1801, which marked the
end of the Federalist Era in American politics.\textsuperscript{53}

In the final analysis, the conclusion of the Quasi-War with France can be seen in similar terms as the conclusion of the Jay Treaty six years earlier. The United States had to accept what the greater power offered, or risk war. France was strong in 1800, and the war in Europe was coming to a close. The United States would have had no allies to help it defend itself if war came. So it had to give up the indemnities if it wanted to rid itself of the old treaties. This was the choice the commission had to make, because the French offered nothing better. Murray saw the loss of the indemnities as less important than the abolition of the old treaties. The British offered better terms to the Americans in 1794 than the French did in 1800 because at that time it was dependent on the United States for vital maritime operations among other things. France in 1800 did not need the United States as much as the British. Bonaparte was in a much better situation. He treated with the United States because a good showing would give legitimacy to his new government and impress the northern maritime powers. But if the United States demanded too much, then he would go to war. He could have afforded a war with the United States in 1800, where the British could not in 1794. In essence, it must be remembered that the United States was not the Great Power that it is now or that it thought it was then. It could not
demand favorable terms from other powers. Men like Hamilton realized this and were successful in their foreign policies. He recognized the limits of the United States, which accounts for his support of both the Jay Treaty and the Convention of 1800. Men like Jefferson never did, which led the United States into problems later on.
CHAPTER SIX

CONCLUSION:
FEDERALIST FOREIGN POLICY IN PERSPECTIVE

The most important theme that ran through this period of American foreign relations was the ability of the United States government to take advantage of its diplomatic situation. Part and parcel of this idea was recognition by the Federalist administrations that America was diplomatically limited by its lesser power status. The Federalist governments of both Washington and Adams were able to recognize these limitations and work within them when they dealt with the European powers, especially Great Britain and France.

This recognition of realities was a part of the negotiation of Jay's Treaty. Great Britain in 1794 was willing to make concessions to the United States, but it was not willing to negotiate all issues with the United States. The British government realized that it could not negotiate on issues such as impressment and neutral rights. These two policies were vital to the British war effort. John Jay did not press these issues, knowing that attempting to negotiate them would have been unsuccessful and could have harmed the chances of negotiating other issues successfully. He
therefore concentrated on the recovery of American territory and trade issues. He was able to negotiate a timetable for the release of the forts and gain trade concessions, such as most-favored nation trade status and the opening of the East Indies to American ships. Although the net benefit of these concessions can be argued, there is no doubt that there was benefit for the United States. American trade, and therefore government revenue, was greatly increased by the treaty. It created the revenue that Hamilton's treasury needed to operate properly. Also, the treaty kept the United States out of a war that from a revenue standpoint it could not afford. The treaty of course, had its disadvantages for the United States, but it was probably as good a treaty as the United States could have negotiated considering its diplomatic position. The negotiation was favorable for the United States because it was able to take advantage of Britain's war problems. It did not want to risk a war in two hemispheres and drive the United States closer to the French, but it would if the United States demanded too much, which fortunately it did not.

The negotiation of the Convention of 1800 was similar. The United States was still the much weaker power as compared to France. In 1800 under Bonaparte, France was strong enough to defeat the United States in a war. But instead, it accepted the abrogation of its alliance with the United
States for a no-promise on the matter of seizures. The envoys were forced to break their instructions to arrive at this agreement, as they were ordered to both abrogate the old treaties and gain a promise from the French for the payment of illegal seizures. They had little choice; the French seemed quite willing to allow the Quasi-War to continue, rather than to sacrifice both issues. It would have been an embarrassing peace for France if it had given in to the United States on both points.

There was outrage over the convention from High Federalists when it arrived in the United States, and no one, not even Republicans, could say that it was a "good" treaty for the United States. But Alexander Hamilton, correctly understanding the international position of the country throughout the Federalist period, supported the convention and urged its ratification, realizing that it would be impossible for the United States to gain both abrogation and payment. France wanted peace with the United States, but like any nation, it was not going to prostrate itself in front of a weaker nation to get it.

Throughout the explanations in this chapter about what each European power was willing to do and not willing to do to make peace and why, there is the explicit notion that the European powers had greater concerns than the United States while negotiating with it. Britain was concerned primarily
with the war in Europe in 1794, not the crisis in the Northwest. France was primarily concerned with stating its neutral rights doctrine, hoping that it could create an armed neutrality against Britain. The United States was able to take advantage of the fact that Europe between 1789 and 1815 was not paying close attention to the United States and the western hemisphere as it had done before.

Pinckney’s Treaty, which I have neglected in this work, was negotiated in large part because of the European situation. Before 1795, Spain was not interested in allowing Americans to navigate the Mississippi, nor did they want to give up the disputed territory in the Old Southwest. But when Spain decided to abandon the British and return to the French alliance, they knew that they would need a friendly United States that would not want to participate in a British invasion of Louisiana. Spain was very concerned about early reports on the Jay Treaty, which indicated that the British and the Americans may have been forming an alliance. So the Spanish Court, fearing for its North American territories and wanting to drive a wedge in the possible Anglo-American alliance, decided to negotiate outstanding issues with the United States. The Americans were given the right of navigation, as well as a very favorable boundary in the Old Southwest. It did, however, limit the right of deposit in New Orleans to three years. The Spanish wanted to insure
that the treaty was not a complete embarrassment. When the Spanish government saw an official copy of Jay's Treaty and realized that there was no Anglo-American alliance, it delayed ratification and implementation of the treaty for almost three years, as it did not want to put such an unfavorable treaty into effect. This is the best example throughout the period which I have studied of the United States benefiting from the European situation.

Federalist diplomacy helped the United States immensely. Although the United States did not get everything it wanted from the European powers, what it did get was very valuable. The treaty with Britain allowed the United States to become economically prosperous and stable. Treating with France rid the United States of its confining alliance. The stability and prosperity that Federalist foreign policy created between 1795 and 1800 with these treaties were the tools that Jefferson would use to mold his more adventurous and risky foreign policy. It could be said that his policies led to greater successes, such as the Louisiana Purchase, but they also led to great failures, like the crisis with Britain leading to the War of 1812. Regardless of what one thinks of Jefferson's foreign policy, it all was made possible by the stability, prosperity, and respect which Federalist foreign policy had created in the decade earlier for the United States.
ENDNOTES

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10 Burt, p. 85.


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14 Grenville to Hammond, March 17, 1792, in Mayo, pp. 25-27.

15 Bemis, Jay's Treaty, p. 163.

16 Grenville to Hammond, April 25, 1792, in Mayo, pp. 27-29.

17 Grenville to Hammond, August 4, 1792, in Mayo, pp. 30-31.


19 Grenville to Hammond, August 4, 1792, in Mayo, pp. 30-31.

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