This victory ended Native American resistance in Ohio. The following year, the Miami Confederacy signed the Treaty of Greenville, agreeing to give up most of the land in Ohio in exchange for $20,000 worth of goods and an annual payment of nearly $10,000. This settlement continued a pattern in which settlers and the government paid Native Americans much less for their land than it was worth. Meanwhile, in the Northwest Territory, new sources of conflict were developing between Britain and the United States.

**JAY’S TREATY** At the time of the Battle of Fallen Timbers, John Jay, the chief justice of the Supreme Court, was in London to negotiate a treaty with Britain. One of the disputed issues was which nation would control territories west of the Appalachian Mountains. When news of Wayne’s victory at Fallen Timbers arrived, the British agreed to evacuate their posts in the Northwest Territory and a treaty was signed on November 19, 1794. The treaty managed to pass the Senate, but many Americans, especially western settlers, were angry at its terms, which allowed the British to continue their fur trade on the American side of the U.S.-Canadian border. 

**Adams Provokes Criticism**

The bitter political fight over Jay’s Treaty, along with the growing division between Federalists and Democratic-Republicans, convinced Washington not to seek a third term in office. In his “Farewell Address” he urged the United States to “steer clear of permanent alliances” with other nations. Then, in 1797, Washington retired to his home at Mount Vernon.

In the presidential election of 1796, Americans faced a new situation: a contest between opposing parties. The Federalists nominated Vice-President John Adams for president and Thomas Pinckney for vice-president. The Democratic-Republicans nominated Thomas Jefferson for president and Aaron Burr for vice-president.

In the election, Adams received 71 electoral votes, while Jefferson received 68. Because the Constitution stated that the runner-up should become vice-president, the country found itself with a Federalist president and a Democratic-Republican vice-president. What had seemed sensible when the Constitution was written had become a problem because of the unexpected rise of political parties.

The election also underscored the growing danger of sectionalism—placing the interests of one region over those of the nation as a whole. Almost all the electors from the southern states voted for Jefferson, while all the electors from the northern states voted for Adams.

**ADAMS TRIES TO AVOID WAR** Soon after taking office, President Adams faced his first crisis: a looming war with France. The French government, which regarded the Jay treaty with Britain as a violation of the French-American alliance, refused to receive the new American ambassador and began to seize American ships bound for Britain. Adams sent a three-man delegation consisting of Charles Pinckney, minister to France; future Chief Justice John Marshall; and Elbridge Gerry to Paris to negotiate a solution.

By this time, the Reign of Terror had ceased and the French government consisted of a legislature and a five-man executive branch called the Directory. French power and prestige were at a high point because of the accomplishments of a young general named Napoleon Bonaparte who had conquered most of western Europe. The Directory had little patience with the concerns of the Americans.

The American delegation planned to meet with the French foreign minister, Talleyrand. Instead, the Directory sent three low-level officials, whom Adams in
Analyzing

his report to Congress called “X, Y, and Z.” These officials demanded a $250,000 bribe as payment for seeing Talleyrand. News of this insult, which became known as the **XYZ Affair**, provoked a wave of anti-French feeling at home. “Millions for defense, but not one cent for tribute” became the slogan of the day. The mood was so anti-French that audiences refused to listen to French music.

In 1798, Congress created a navy department and authorized American ships to seize French vessels. Twelve hundred men marched to the president’s residence to volunteer for war. Congress authorized the creation of an army of 50,000 troops and brought George Washington yet again out of retirement to be “Lieutenant General and Commander in Chief of the armies raised or to be raised.” While war was never officially declared, for the next two years an undeclared naval war raged between France and the United States.

**THE ALIEN AND SEDITION ACTS** Anti-French feeling continued to flourish, and many Federalists believed that French agents were everywhere, plotting to overthrow the government. New arrivals from foreign countries were soon held in particular suspicion, especially because many immigrants were active in the Democratic-Republican party. Some of the most vocal critics of the Adams administration were foreign-born. They included French and British radicals as well as recent Irish immigrants who lashed out at anyone who was even faintly pro-British, including the Federalist Adams.

To counter what they saw as a growing threat against the government, the Federalists pushed through Congress in 1798 four measures that became known as the **Alien and Sedition Acts**. Three of these measures, the Alien Acts, raised the residence requirement for American citizenship from five years to 14 years and allowed the president to deport or jail any alien considered undesirable.

The fourth measure, the Sedition Act, set fines and jail terms for anyone trying to hinder the operation of the government or expressing “false, scandalous, and malicious statements” against the government. Under the terms of this act, the federal government prosecuted and jailed a number of Democratic-Republican editors, publishers, and politicians. Outraged Democratic-Republicans called the laws a violation of freedom of speech guaranteed by the First Amendment.

**VIRGINIA AND KENTUCKY RESOLUTIONS** The two main Democratic-Republican leaders, Jefferson and James Madison, saw the Alien and Sedition Acts as a serious misuse of power on the part of the federal government. They decided to organize opposition to the Alien and Sedition Acts by appealing to the states. Madison drew up resolutions that were adopted by the Virginia legislature,
while Jefferson wrote resolutions that were approved in Kentucky. The Kentucky Resolutions in particular asserted the principle of nullification—that states had the right to nullify, or consider void, any act of Congress that they deemed unconstitutional. Virginia and Kentucky viewed the Alien and Sedition Acts as unconstitutional violations of First Amendment citizens rights. The resolutions warned of the dangers that the Alien and Sedition Acts posed to a government of checks and balances guaranteed by the Constitution.

Moreover, Virginia and Kentucky claimed the right to declare null and void federal laws going beyond powers granted by the Constitution to the Federal government.

The resolutions also called for other states to adopt similar declarations. No other state did so, however, and the issue died out by the next presidential election. Nevertheless, the resolutions showed that the balance of power between the states and the federal government remained a controversial issue. In fact, the election of 1800 between Federalist John Adams and Republican Thomas Jefferson would center on this critical debate.

**THE DEATH OF WASHINGTON**
Throughout 1799, George Washington remained active, writing letters to recruit possible generals and making plans for the army that might be needed in a possible war against France. However, on December 14, Washington died after catching a severe cold. Washington was buried according to his wishes with a military funeral at Mount Vernon.

Ironically, Washington’s death was instrumental in improving relations with France. Napoleon Bonaparte, now first consul of France, hoped to lure American friendship away from the British and back to the French. Napoleon ordered ten days of mourning to be observed in the French armies for the American leader. Soon, Napoleon would offer even greater concessions to the Americans.

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**A PERSONAL VOICE THOMAS JEFFERSON**

“Let the honest advocate of confidence [in government] read the alien and sedition acts, and say if the Constitution has not been wise in fixing limits to the government it created, and whether we should be wise in destroying those limits.”

—8th Resolution, The Virginia and Kentucky Resolutions

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**MAIN IDEA**

**ANALYZING ISSUES**

F How did the Kentucky Resolutions challenge the authority of the federal government?

**CRITICAL THINKING**

3. **ANALYZING ISSUES**

Do you agree with the Democratic-Republicans that the Alien and Sedition Acts were a violation of the First Amendment? Were they necessary? Support your opinion. Think About:

- the intent of the First Amendment
- what was happening in Europe
- what was happening in America

4. **EVALUATING DECISIONS**

Should the United States have officially supported the French revolutionaries against the British? Support your opinion with examples from the text. Think About:

- Federalist and Republican attitudes toward France and Great Britain
- the Reign of Terror
- U.S. gratitude to France for its support against Britain

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**ASSESSMENT**

1. **TERMS & NAMES** For each term or name, write a sentence explaining its significance.

- neutrality
- Edmond Genêt
- Thomas Pinckney
- Little Turtle
- John Jay
- sectionalism
- XYZ Affair
- Alien and Sedition Acts
- nullification

2. **TAKING NOTES**

List some of the disputes mentioned in this section. Indicate the dispute and each side’s arguments.

<table>
<thead>
<tr>
<th>Dispute</th>
<th>One side</th>
<th>Other side</th>
</tr>
</thead>
<tbody>
<tr>
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Choose one dispute and defend one side’s arguments.

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196 **Chapter 6**