On July 18, 1797, Charles Maurice de Talleyrand-Périgard won appointment as the French foreign minister. He is reported to have said, “I’ll hold the job. I have to make an immense fortune out of it, a really immense fortune.” Talleyrand faced a difficult task as the French government continued to fight much of Europe in a war that was initiated by the outbreak of the French Revolution. In October, he learned that three American commissioners had recently landed and were seeking an audience with him. He had neither the time nor inclination to deal with the Americans and was irritated by their request.

On October 8, Talleyrand received the American delegation and offered a brief fifteen-minute audience to receive their credentials. The Americans were delivered cards of hospitality the
next day, but it was the last time they were made to feel welcome in France. On October 14, Talleyrand’s secretary told them the French were incensed over Adams’s message to Congress. Two days later, the secretary stated that Talleyrand would not meet with them until they essentially apologized for the president.

On October 18, the American diplomats had the first of several audiences with the French agents referred to subsequently as X, Y, and Z. Jean Conrad Hottinguer (“X”) outlined the conditions that Talleyrand demanded before official negotiations would be allowed. They included the United States government paying for all debts that the French owed to American suppliers as well as the losses endured by American shippers due to French confiscations of their vessels. Even worse, the Americans would have to offer the French a “considerable loan” of 32 million Dutch florins and “something for the pocket” (meaning a bribe of £50,000 for the “private use” of Talleyrand and the Directory). The shocked and outraged Americans received the demands in writing the following day while they stewed and met with Pierre Bellamy (“Y”).

On October 21, the American team met with Lucien Hauteval (“Z”) and Hottinguer. Hottinguer eventually said in an exasperated voice, “Gentlemen, you do not speak to the point. It is money—It is expected that you will offer money.” This was an affront to American honor and their personal integrity, and they angrily protested. Pinckney retorted that he, Marshall, and Gerry had “spoken to that point very explicitly,” meaning that they would never offer a bribe to pay to protect American interests. Hottinguer replied hotly, “No, you have not, what is your answer?” In response, Pinckney exploded, “No! No! Not a sixpence!”

After a moment of silence, the exasperated French warned that “nothing was to be gained here without money.” Pinckney stated that they “had not even suspected” such a thing when they traversed the ocean. They explained they had expected the French to be “acting entirely upon principle and as feeling a very pure and disinterested affection for America.” The French had a dumbfounded look and ended the meeting.

A week later, Talleyrand tried to split the American delegation by meeting with Gerry separately. The French Foreign Minister told the American in no uncertain terms that the loan “was an absolute sine qua non” (an essential condition) of any negotiations commencing. When the Americans met with X, Y, and Z two days later, the Frenchmen warned, “You ought to know that the diplomatic skill of France and the means she possesses in your country are sufficient to enable her with the French party in America to throw the blame [on America and the three diplomats],” for any failure to win an agreement.

The Americans were beside themselves with rage. They protested French “conduct and language.” They were tired of the “abuses and insults” against the American government. They objected to the threatened “vengeance of France” that seemed “determined to make war on us unless we purchased peace.” Bellamy stated he “had not come to listen to those complaints” and dismissed them. The Americans responded that they would not bother to meet again if the French only repeated their “proposition for money.”
Talleyrand ignored subsequent letters the Americans offered once tempers cooled over the next few months. Talleyrand continued his attempts to meet with Gerry privately, and Gerry agreed to stay if only to prevent war between the two countries. Marshall left France for America on April 23, 1798, while Pinckney returned to the United States after a brief sightseeing tour of the French countryside with his family.

When word reached America of the failure of the mission and the subsequent revelation of the diplomatic correspondence, Americans were outraged. One headline summed up the feelings of the country when it asserted, “Millions for defense but not one cent for tribute!” Many Americans wanted to go to war with France, and Congress prepared for war and embargoed trade with France. George Washington observed that, “The conduct of the French government is so much beyond calculation and so unaccountable upon any principle of justice or even of that sort of policy which is familiar to plain understanding that I shall not now puzzle my brains in attempting to develop their motives to it.” Whatever the French motives, Marshall, Pinckney, and Gerry showed integrity by refusing to offer bribes to end violations of American liberties. In this manner, they successfully preserved their nation's honor.