In December, 1799, the Emperor Paul had signed a ukase granting to the Russian-American Fur Company exclusive rights to hunt and trade on the northwestern coast of America between latitude 55°N. and Bering strait and on the islands in the vicinity. This grant was not protested by other powers and the ukase of 1821 was virtually an extension of it southward and seaward. Between December, 1799, and September, 1821, however, the North West Company of Montreal and their successors. the Hudson's Bay Company, had reached the Pacific and established themselves on the coast and in the interior of what is now British Columbia.

Doubtless, principally at the instigation of the Hudson's Bay Co., the Government of Great Britain protested these extraordinary claims to jurisdiction over territory containing British trading posts and to the open ocean far beyond limits acknowledged by international law.

The United States also protested against the attempt to exclude American traders and whalers from this territory.

September 10, 1822, Count Lieven, Russian ambassador to Great Britain, suggested confidentially that Great Britain bring forward her claims to territory on the northwest coast of America "so as not be shut out by any agreement made between Russia and the United States."

January, 1823, Count Lieven informed George Canning, Secretary of State for Foreign Affairs, that he was instructed to propose "that the question of strict right be temporarily set aside on the part of both" and that the differences "be adjusted by an amicable arrangement to be negotiated at St. Petersburg."

April, 1823, John Q. Adams, United States Secretary of State, suggested joint negotiations by Great Britain and the United States at St. Petersburg, and stated that the United States had no territorial claims as high as 51°N. lat. Canning wrote Sir Charles Bagot, British ambassador to Russia, that a joint negotiation would be mutually advantageous, as two maritime powers acting together could probably secure greater concessions than if acting separately.

In August, 1823, Bagot wrote Canning that Count Nesselrode considered "the proposed concert of measures between Great Britain and the United States" as the most agreeable mode in which the question could be brought under discussion."

Two months later, however, he wrote that, notwithstanding Adams' statement, the United States were "fully prepared" to assert an equal pretension with Great Britain and Russia to the whole coast as high as 61°N. basing their claim as the successors in title to Spain by virtue of the Treaty of Florida Blanca, 1819.