Before 1920 Canada had no independent diplomatic representative abroad, although, as early as 1920, it was agreed by the British and Commonwealth Governments, and by the United States Government, that a Dominion Minister could be appointed to Washington. The appointment was made in 1926, and the first Canadian legation was opened in Washington early in 1927. This was followed in 1928 by the appointment of the former Commissioner-General in Paris as Minister to France, and, in 1929, by the opening of a legation in Tokyo. At about the same time, the United States, France, and Japan opened legations in Ottawa.

The expansion of the service was thereafter interrupted by the depression of the Thirties. The three years of rapid growth from 1926 to 1929 were followed by a decade of consolidation. The next step in the exchange of diplomatic representatives with other countries was taken when Belgium sent a minister to Ottawa in 1937; in January 1939, Canada established legations in Belgium and the Netherlands.

With the outbreak of the Second World War, it became imperative that Canada have closer and more direct contact with other governments of the Commonwealth, with the Allied governments and certain other foreign governments (e.g., in Latin America). The day after Canada's separate declaration of war on September 10, 1939, it was announced that the Canadian Government would send high commissioners to Australia, New Zealand, South Africa and Ireland. These Commonwealth governments reciprocated. The appointment in 1941 of a High Commissioner to Newfoundland recognized the importance of that country to the defence of Canada.

The increasing magnitude of Canada's war effort and its growing international commitments led to a rapid increase of diplomatic exchanges with foreign countries. In 1942, by reciprocal agreement, Canada appointed ministers to the U.S.S.R. and China. During the war, a single Canadian minister was accredited to a number of Allied governments then functioning in London or Cairo: those of Belgium, the Netherlands, Czechoslovakia, Greece, Norway, Poland and Yugoslavia. (Canada also received ministers from each of these governments.) After the liberation of France, this minister, following a period in Algiers as representative to the French Committee of National Liberation, moved to Paris, with the rank of ambassador. Separate missions are now established in the capitals of all these countries.

The establishment of diplomatic relations with Latin America was another wartime development. In 1941, Canadian legations were opened in Brazil and the Argentine Republic (the minister to the latter being also accredited in 1942 to Chile), and these countries sent their first ministers to Ottawa. Diplomatic representatives were sent to Mexico and Peru in 1944 and to Cuba in 1945. The decision to open missions in Latin America was based not only on the development of intra-American trade but also on the conviction that a closer understanding was necessary to the solution of common problems during the war, when several of those countries became allies. Canada now has diplomatic relations with all countries in Latin America. Also, because of Canada's closer ties with Latin America, a separate political division devoted to that area was set up in the Department in 1960.