

abroad. It is now recognized that a distinct Diplomatic Service is a logical and inevitable result of the assumption of the responsibilities attaching to the new international status of Canada; that the Legations have rendered definite and practical service in a solution of issues with other countries; and that they have contributed to a better understanding of Canada's position and a knowledge of Canada's trade and resources.

Incidentally, recent years have increased the necessity for direct diplomatic contact with governments abroad, in view of increasing state participation in and control of international trade through quotas, import licenses, import monopolies, exchange control, etc. These tendencies all make it increasingly desirable to be in a position to remove the political difficulties that may bar the expansion or continuance of Canadian trade.

Canada was the first Dominion to initiate the proposals for the establishment of a diplomatic service, though the Irish Free State actually appointed a Minister in Washington shortly before Canada. Canada has still the three diplomatic posts established in Washington in 1927 and in Paris and in Tokyo in 1928. The Irish Free State is now represented in seven foreign capitals and South Africa in eight.

Countries comparable or with smaller population and foreign trade, such as Argentina, Belgium, the Netherlands, and Sweden have from 37 to 52 posts abroad. It will be many years before Canada will need to expand the Service to comparable dimensions, particularly in view of the relative importance of our relations with the countries where we are now represented. It does, however, appear desirable to resume on a modest scale the establishment of Legations abroad. In planning such an expansion, it has been considered desirable to take into account the fact that Belgium has already established a Legation in Canada and that while there is no absolute rule of reciprocal action such a policy is customary. In considering such an establishment of a Legation in Belgium, it was thought desirable to take into account, also, the possibility of establishing a Legation in the adjoining state, the Netherlands, particularly as in accordance with the practice of many smaller countries, including the Dominions to which I have referred, it is found possible to carry on the work of two Legations in adjoining countries with a single Minister. It may be noted that in the fiscal year 1936-37, among the foreign countries in which we are not now represented, Belgium and the Netherlands were the countries which were the largest purchasers of Canadian products.

It is proposed, therefore, to establish Offices in both Brussels and The Hague. The Minister would spend approximately equal time in each capital, leaving the Legation under a Chargé d'Affaires in the other capital during his absence from it. It is not proposed to make an appointment until later in the year.