

**Report of the Supreme Knight
Annual Meeting of the Supreme Council
Phoenix, Arizona
August 4, 2009**

INTRODUCTION

“You are Peter, and upon this rock I will build my church.”

With these words Our Lord entrusted his Church to St. Peter, and to his successors. And for as long as there have been Knights of Columbus, it has been our tradition to “Stand with Peter,” and thus, to stand with the Church.

From the apostolic blessing of Pope Leo XIII in 1896 to an audience in the Vatican Gardens with Pope Benedict XV in 1920; from explicit praise for the Knights of Columbus by Pope Pius XI in an encyclical in 1926 to the Papal Mass in Brooklyn co-sponsored by the Knights for Pope John Paul II in 1995, we have stood with each of the successors of St. Peter.

As Knights, we hear the voice of Our Lord in the teaching of his Church. We are proud of our fidelity to Peter and our Church. Indeed, our very identity as the world’s largest lay Catholic organization is built upon our determination to stand with Peter and his successors, and our zeal for serving as their “strong right arm.”

Acting in solidarity with our priests and bishops is an integral part of our loyalty to Peter. We are also *their* strong right arm. And in this “Year for Priests” we renew our dedication to - and support of - the men who devote their lives to leading us in faith.

This, too, is at the heart of who we are, and who we have been, ever since the Venerable Michael McGivney gathered the first Knights together at St. Mary’s Church in New Haven in 1882. This humble parish priest, whose cause for sainthood has been

met with enthusiasm at the highest levels of the Vatican, has been our inspiration and our guide for 127 years.

He is also the inspiration for thousands of people who are members of the Father McGivney Guild. You don't have to be a Knight of Columbus to join the Guild - anyone can join and become a part of a community of believers who are inspired by the life and virtues of this extraordinary priest, who we pray will someday become the very first American-born priest to be declared a saint.

VOCATIONS

As a priest, Michael McGivney was a spiritual father with many sons in faith who have followed him into the priesthood. Each year brings the ordination of a new group of brother Knights who have chosen to follow in his footsteps, many of them with the financial support of the Order.

Among this year's newly-ordained priests are 12 who studied for the priesthood with the help of Bishop Thomas V. Daily Vocations Scholarships, and 24 who were recipients of Father Michael J. McGivney Vocations Scholarships. Last September, we awarded 11 new Bishop Daily Scholarships and renewed 19. We awarded 33 new McGivney scholarships and renewed 47. This fraternal year will witness the ordination of the 600th beneficiary of our vocations scholarship programs.

Hundreds more of our newly-ordained priests received financial support during their seminary years from the 2,600 councils that participate in our RSVP vocations program. Last year 4,758 men and 148 women received financial support through this program in the course of their studies to become men and women religious.

I'd like you to meet a few of the men who have begun their lives as priests this year with the help of the Knights of Columbus:

In May, Archbishop Timothy Dolan returned from his new post in New York to ordain six new priests in his former Archdiocese of Milwaukee, and they included **Daniel JAN-i-sik**, who attended St. Francis de Sales Seminary with the help of a Bishop Daily scholarship; **Luke Strand**, who attended St. Francis de Sales with the help of a Fr. McGivney scholarship; and **Mark Brandl**, who attended St. Frances Seminary with help from RSVP donations from Councils 3562, 4240, 6645, and 7798.

Shortly before his move to New Orleans this year, then-Austin Bishop Gregory Aymond ordained **Jonathan Raia**, who attended St. Mary's Seminary in Austin with the help of a Bishop Daily scholarship. In Portland, Oregon, Fr. McGivney scholarship recipient **David Jaspers** was one of seven new priests ordained this summer by Archbishop John Vlazny, after completing his studies at Mount Angel Seminary in St. Benedict, Oregon.

Among the many new priests who received RSVP support while studying for the priesthood were **Fr. John Hollowell**, supported by Councils 245 and 1096 in the Archdiocese of Indianapolis; **Fr. Dale Maxfield**, supported by Councils 1334, 1666 and 6165 in the Diocese of Belleville; **Fr. Carl Melchior**, supported by Councils 7644 and 12165 in the Diocese of St. Petersburg, and **Fr. Clinton Pendleton**, supported by Councils 1614 and 4866 in the Diocese of Kamloops, in British Columbia.

These men are among 4,906 seminarians, postulants and novices who received \$2.9 million through the RSVP program this year. Since the program began in 1981,

Knights of Columbus councils have used it to provide more than \$44 million to over 70,000 seminarians, postulants and novices.

Support for vocations is one of our highest priorities. We're not just providing financial support, as vital as that is. We also extend moral support and personal friendship, and encourage vocations within our own homes. Many priests and women religious have come from Knights of Columbus families down through the years, and we make clear to our own children that we encourage them to consider carefully whether they too have a religious vocation.

CHAPLAINS

Although he initially served as Supreme Secretary, our founder, the Venerable Michael McGivney, became our Supreme Chaplain in 1884. His brothers John and Patrick both became priests and they also served as our Supreme Chaplain. When Fr. John McGivney retired in 1939, he was succeeded by Msgr. Leo Finn, who was Fr. McGivney's nephew. In fact, for all but 12 of the first 78 years of our existence, the Supreme Chaplain was a member of the McGivney family.

Today, Bishop William Lori follows in their footsteps, and under his leadership, we have revitalized our program for Knights of Columbus chaplains at both the state and local levels. And now, he has the able assistance of the Former State Chaplain of California, Fr. John Grace, who has joined the Supreme Council staff as Director of Chaplain Programs and Development.

The expansion of Bishop Lori's monthly column in *Columbia* and the arrival of Fr. Grace are the first few steps in a long term initiative to enhance the spiritual development of every member of the Knights of Columbus. We are grateful to the

thousands of priests who serve as state and local council chaplains for all they do for us as they follow in the footsteps of Michael, John and Patrick McGivney. To all of our chaplains, especially in this *Year for Priests*, we say “thank you for your dedication to helping us live lives of faith and devotion.”

CHARITY

Just one month ago, Pope Benedict XVI issued his third encyclical, entitled “Charity in Truth.” For the Knights of Columbus, whose first principle is charity, the very title of the encyclical is an affirmation that his priorities are our priorities. In fact, the words “charity,” “unity” and “fraternity” are used so often in this new encyclical that one could almost conclude that it was written especially for us.

The Holy Father is very clear: “Charity,” he says, “is at the heart of the Church’s social doctrine.” And “For the Church, instructed by the Gospel, charity is everything.”

Despite the severe recession of the past year, the dedication of the Knights of Columbus to charity has shone brighter than ever. Again this year, we set new all-time records for charity. While total charitable giving in the United States fell by 2% last year, **our** total charitable contributions **went up by 3.5%**. Knights of Columbus donations to charity last year climbed by a spectacular \$5.1 million, to more than \$150 million.

Our members also donated 68,783,653 hours of volunteer service, a jump of almost 88,000 hours over last year and once again **a new record**. Independent Sector, a foundation that encourages charitable giving, estimates that the value of a volunteer hour in 2008 was \$20.25. That would put the total value of our volunteer efforts last year at \$1,390,000,000!

Over the past decade, we have donated more than \$1,325,000,000 to charity, and have given nearly 626 million hours of our time to charitable service, with a value of more than \$11 billion.

Once again this year, Canadian Knights won top honors for total donations to charity. The Knights of Ontario took over first place, giving more than \$9.1 million to charity. They were followed by Quebec, with \$8.5 million; Texas with \$6.6 million; Illinois with \$6.4 million; and Michigan at number 5, with \$5.7 million. Rounding out the top ten jurisdictions were Florida, California, New Jersey, Virginia and Missouri.

Looking at per capita donations to charity, Canadian jurisdictions once again dominated the list of top donors. British Columbia led the way, with a per capita total of \$214 donated per member. Ontario was second, with \$161 per member.

A total of fourteen jurisdictions had per capita donations of more than \$100 per member. Nine of the fourteen were Canadian jurisdictions, and the remaining five were in the U.S. Virginia had the highest American per capita donation total, at \$152 per member.

The compassion of Knights of Columbus is never more clear than when we help those who are suffering from disease and injury. Last year, we were responsible for more than 413,000 blood donations, and our members made more than five and a half million visits to the sick and bereaved.

A significant part of our volunteer activity is conducted in partnership with well-known charities. Knights volunteered more than 1.3 million hours in Habitat for Humanity projects last year.

Special Olympics is celebrating its 40th anniversary this year, and we helped them celebrate by donating \$1 million over the next four years to support their activities in the United States, Canada and Mexico. During the past fraternal year, Knights donated 177,651 hours of their time to Special Olympics events, and \$2,216,000 in financial support.

The Knights of Columbus has been providing both financial and volunteer support for Special Olympics from the beginning - ever since it was established in 1969 by our brother Knight Sargent Shriver and his wife Eunice Kennedy Shriver. And we have also been a major contributor to many other programs for people with physical and mental disabilities.

A more recent partner in our charitable work is now known as the American Wheelchair Mission. Since 2002, the Knights of Columbus has sponsored the distribution of 15,000 wheelchairs to people in need all around the globe, and many individual jurisdictions have taken an active role. A total of 38 states have participated in our wheelchair program, led by California, which has raised \$538,000 for distributions throughout Central and South America. California Knights delivered 560 wheelchairs to Campeche & Guadalajara in Mexico in June, and Knights in Texas will be making a big distribution in Nuevo Laredo, Mexico in October. Knights in every province in Canada have donated wheelchairs. Major contributors in the U.S., in addition to California and Texas, include Arizona, Illinois, Iowa, Maryland, Georgia, Tennessee, New Jersey and Florida. Recently, the Knights of Mexico Central became the first Mexican jurisdiction to participate in the program, raising money for wheelchairs that will be distributed to physically disabled people in Mexico.

The weather here in Phoenix in August is always a bit warm, and of course this week is no exception. But last January, in many cities farther north, the weather was very cold. And in the midst of a severe recession, we knew that there would be many children from lower-income families who either didn't have a winter coat or had outgrown last year's coat, and would not be getting a new one this year.

We decided to partner with several major clothing manufacturers and obtained a supply of coats near cost, and we purchased nearly 8,000 children's coats. Our "KC Coats for Kids" program was off and running. We distributed the first 1,200 coats in Washington, DC on Martin Luther King Day, which the President had designated as a National Day of Service. Thousands more were distributed in the weeks that followed, by Knights in Chicago, Detroit, Minneapolis and Duluth.

This year's KC Coats for Kids program is the beginning of a program that we intend to grow into a significant charitable effort.

YEAR OF THE VOLUNTEER

Our leadership in volunteering our time is well-known among charities everywhere. And so when we decided to sponsor a nationwide summit on volunteerism in New York City last February, executives from more than three dozen educational, corporate, charitable and governmental organizations responded. "Neighbors Helping Neighbors: A Summit on Volunteerism," was a huge success.

Among the groups participating were Habitat for Humanity, United Way, the Salvation Army, Catholic Charities, the National Fraternal Congress of America, the New York City Coalition Against Hunger, General Electric, the Foodbank of Greater

New Jersey, the Connecticut Public Broadcasting Network, Goldman Sachs and Volunteers of America.

All of them understood immediately that if greed – one of the worst aspects of human nature – helped push us into the current economic crisis, then one of the best aspects of our nature – generosity – will be necessary to help pull us out of it.

We are grateful to His Eminence Edward Cardinal Egan, who personally came to lead off the conference, and to the Jesuit fathers of Fairfield University and its Center for Faith and Public Life, which joined with us in sponsoring the summit, and is playing a key role in following through on this vital first step to help our neighbors to survive these tough economic times.

One direct result of the Summit is a new partnership between the Knights of Columbus and Connecticut Public Television. They have been a leader in encouraging their viewers to volunteer their time to help people in need. Now, they have begun a new and more ambitious project called “The Power of Giving,” designed to encourage a wide variety of philanthropy and volunteerism.

We became their Founding Partner, and on June 25th a two-hour “volunteer-a-thon” drew thousands of viewers and hundreds of new volunteers.

Connecticut Public Television is now working to export this approach to encouraging volunteerism to public TV systems in other states. We believe that it is a powerful and compelling approach, and we hope it will inspire many similar efforts all around the country.

McGIVNEY CANCER CENTER

For more than 35 years, the Knights of Columbus has had a close relationship with St. Raphael's Hospital in our home city of New Haven, Connecticut. With our help, it has become one of the premier centers for cancer treatment in New England. Several years ago we agreed to help St. Raphael's expand its cancer treatment services to a new center in Hamden.

In June, I was proud to join Hartford Archbishop Henry Mansell, Sister Maureen Shaughnessy, the general superior of the Sisters of Charity of Saint Elizabeth, and the doctors and administrators of St Raphael's in dedicating the new Father Michael J. McGivney Cancer Center. It is a beautiful, state-of-the-art facility that will provide life-saving care, and it is highly appropriate that the center be named after our founder, a priest who cared so much about the health and welfare of his parishioners. Our assistance to St. Raphael's Hospital is emblematic of the work that Knights everywhere undertake to alleviate suffering.

INSURANCE AND INVESTMENTS

When he founded the Knights of Columbus, the Venerable Michael McGivney wanted to provide Catholic men with the opportunity to strengthen their faith, to create a strong fraternal bond, to make charity a central part of their lives, and to protect their families from financial misfortune. Today, 127 years later, we remain faithful to every part of his vision.

Having touched upon our devotion to faith and charity, let me turn now to the part of Fr. McGivney's vision dealing with providing financial security to our members and their families.

If you've read the pope's new encyclical on Charity in Truth, you may have noticed that he referred to economic activity carried out by those "who freely choose to act according to principles other than those of pure profit," and he specifically mentioned enterprises "that draw their origin from religious and lay initiatives."

If this sounds a lot like a way of describing the Knights of Columbus, it is no accident. Pope Benedict's description is another way of describing Fr. McGivney's vision. Our insurance program protects the financial security of our families just as a commercial insurance company would, but we are not concerned solely with profits. Our work benefits a wide variety of charities, the Church, and our own insured members and their families.

In his encyclical, the pope identified the behavior that led directly to the current recession. He blamed "speculative use of financial resources that leads to the temptation of seeking only short-term profit, without regard for the long-term sustainability of the enterprise."

And sure enough, over the past several years, many firms - some of which now no longer exist - sought high returns from high risk investments that few people really understood. We, on the other hand, have always been guided by the principle that "investment always has moral, as well as economic significance." Our goal has never been just short-term profit. Instead, our goal is to put the long-term interests of our members first. And that is why we have kept to what Standard & Poor's describes in their just-issued report on us as a "very conservative financial strategy."

According to S&P, our "capital adequacy" - a measure of the huge safety cushion that we maintain - "is among the strongest in the industry." Knights of Columbus

management, they reported, “has a very low risk tolerance and places a very high value on the society’s reputation.” That’s certainly true as far as it goes. But we would put it another way: *we place the highest value on your safety and your security.* When we make vital business decisions, our *first* consideration is the welfare of our brother Knights and their families.

That is what we mean when we say insurance by brother Knights for brother Knights.

The bottom line for Standard & Poor’s in this year’s report is that we are “achieving [our] primary objective of providing members and their families with high-quality, low-cost insurance benefits.” Citing our “extremely strong capital,” our “strong profitability,” and our “extremely strong liquidity,” S&P gave us their highest rating: “AAA - Extremely Strong” for the 17th consecutive year. Moreover, they declared our outlook to be “stable,” meaning that they believe that our sound management and careful investment strategy - “even after applying stress factors” - will keep us at the top.

At A.M. Best, the story is the same. In their report this year, they cited our “consistently positive statutory earnings, excellent persistency and an exceptional level of risk-adjusted capitalization.” They too gave us their top rating, of A++ (Superior), for the 34th consecutive year.

Among the things that impressed A.M. Best about the Knights of Columbus is what they termed our “strong commitment to ethical market conduct,” and the fact that we participate in the Customer Assurance Program, and are certified by the Insurance Marketplace Standards Association for **exhibiting** the highest standards of ethical business practice.

There are *only four companies* in the United States this year which have the highest rating from both Standard & Poor's and A.M. Best, *and* IMSA certification for ethical standards. The Knights of Columbus is one of them. In Canada, there is only *one company* that has all three. That's right - it's the Knights of Columbus.

Let me offer you some details about the way in which we manage your assets.

In 2008, our professional staff invested more than \$8 million each and every day. And for the fifth year in a row, the investment staff was able to increase the yields on newly issued bonds, going up from 4.4% back in 2003 to 5.9% in 2008. That 1.5% increase may not sound like a lot, but it has a strong impact on the income generated by our portfolio. Bear in mind that 87% of our \$14 billion in assets is invested in a broadly diversified portfolio of bonds. The increase in yield on those bonds has not come at the expense of quality. The average rating of bonds purchased last year was once again — AA. We had no issues in default at year's end.

A relatively small portion of our assets are invested in stocks, especially in the current environment. At the end of 2008, our stock holdings totaled \$222 million, after deliberately reducing our holdings from \$330 million a year earlier. When we do invest in equities, they are generally preferred stock, which have better yields and are less volatile. Our focus has been on companies with very strong balance sheets.

All of our investments are screened to ensure that they meet our religious, moral and ethical standards and are not in conflict with the teachings of the Catholic Church. That is yet another way that we follow our pope's teaching that "investment always has moral significance."

Our investment income increased to \$814 million in 2008, an increase of 2%. Our total portfolio yield was a very competitive 5.75%.

A relatively small portion of our investments involve real estate, including our ChurchLoan program, which made 18 new loans worth \$21.2 million last year, and which grew overall by about \$4 million to \$124 million. We also have a small diversified portfolio of multi-family housing, office, retail, industrial and warehouse buildings, which brought a combined yield in excess of 10%.

At the same time as our investment staff has been coping successfully with a very challenging economic environment, our general agents and field agents have been having remarkable success helping our members take advantage of our new and improved products. Our field force has now grown to more than 1,400 representatives, all of whom are brother Knights. And in its report this year, A.M. Best noted that our 4-year agent retention rate is double that of the industry as a whole. These highly trained professional agents have been extremely busy over the past year, helping members cope with economic uncertainty and understand our new insurance product offerings.

Last October, we introduced the new 800 series insurance products, which are more competitively priced and have a number of new features that are very popular. Sales were very strong during the fourth quarter of 2008, helping to achieve the record \$6.6 billion of insurance we sold last year. It was our eighth consecutive year of sales growth. That growth has continued into 2009, and we are well on our way to setting a new record again this year.

Once again in 2008, the Knights of Columbus led all fraternal benefit societies in new life certificates issued. Our 73,119 certificates were almost 40,000 more than the

number two society. Our overall number of life certificates in force has grown every single year since 1970, and at the end of 2008, stood at 1,668,160. As of July 8, the dollar value of our life insurance in force exceeded \$72 billion - a new all-time record.

With the collapse of stock prices last year, there has been a major shift to quality and safety in both life insurance and retirement planning.

During the first six months of 2009, our annuity sales totaled \$256 million, compared with just \$130 million during the same period a year ago. *That is an increase of 97.2%.* We are having the best year in our history for annuity sales, as people have come to realize the safety and solid growth offered by the Knights of Columbus. And all this is on top of the fact that 2008 was a very good year: annuity contracts issued in 2008 had already grown by 40% over the previous year.

We also introduced a special new product in Canada on the first of this year - a Tax Free Savings Account - and sales have been very brisk.

The ultimate story, of course, is not investment success or sales numbers. It is the benefit that has come to hundreds of thousands of Knights and their families, and that is our tribute to the vision of our founder.

Last year, we paid more than \$222 million in death benefits to Knights of Columbus families, providing exactly the kind of financial support that Fr. McGivney intended.

Last year, we paid more than \$372 million in dividends to our insurance members, helping them to fulfill their goals of financial security in a time of economic uncertainty and turbulence.

In this as in everything else, we Stand with Peter: our moral compass always points in the same direction.

MEMBERSHIP

Membership growth is absolutely necessary if we are to accomplish our goals of having a council in every parish, and being able to provide support to every priest. I am proud to report to you today that for the 38th consecutive year, our membership has grown — to a new all-time record of **1,785,393**. That is a net gain of 22,211 members. In the United States, Texas led the way in membership gain, with a net gain of 2,024 members, followed by California with 952, Florida with 666 and Kansas with 601. But the biggest gains came in the Philippines, where Luzon added 6,791 members, Visayas added 3,189 and Mindanao recruited 2,745 new members.

While there is plenty of good news to celebrate on the membership front, we must not lose sight of our huge unrealized potential. In the United States we have over 1,287,000 members, but there are as many as 30 million eligible Catholic men who are not yet Knights. In Canada, as many as 5 million Catholic men are eligible to join our ranks, while our membership total is 231,000. In Mexico, recent membership growth has been very strong, and now stands at around 7,000, but as many as 49 million Catholic men are eligible. Our brother Knights in the Philippines have been doing an exceptional job at recruiting new members, and now number more than 250,000. But our potential there is tremendous as well, with 27 million eligible men.

At last year's convention in Quebec City, we were pleased to welcome a delegation of Knights from Cuba for the first time in 58 years. Members of the reactivated Santa Maria Council 2479 in Camagüey have continued to grow and

prosper. They have formed their own first degree team, and just last week they brought 15 new members into the Order. In the eastern part of Cuba, three dozen Catholic men in the Diocese of Manzanillo are working to establish a new council there. The bishop is working with Archbishop Juan Garcia and the men of Council 2479 to move things ahead.

This year marks the 100th anniversary of the Knights of Columbus in Cuba, and a wonderful article on the early history of the Order there appears in the July issue of *Columbia*. To our brother Knights in Cuba we say congratulations!

In our newest jurisdiction in Poland, membership has grown by 225 members in the past year; and Poland now has 870 members in 14 councils. That represents growth of 35% in just one year, and is a very good sign of the health of the Order in our first European jurisdiction.

Although we customarily focus on numbers when we talk about membership, we should always remember that when we invite a man to join the Knights of Columbus, we are inviting him to make himself a better Catholic, a better husband, a better father and a better citizen. Our call to brotherhood in the Catholic faith is a powerful invitation, as you can see in this new television message featuring Brother Knight Al Fuentes, one of the heroes of 9/11:

[spot]

We should not hesitate to tell our story about the way that membership in the Knights of Columbus changes lives for the better. This television spot will soon be available to local councils for sponsorship on local channels in your area.

In addition to our membership growth, we also had a net growth of 221 new councils, for a total of 13, 706 active councils on June 30.

FOURTH DEGREE

Membership in the Fourth Degree grew to more than 310,000 during this fraternal year. There were 288 exemplifications held, and a total of 15,403 men were initiated into our Patriotic Degree. After deaths, suspensions and withdrawals, we had a net increase of 5,506 new Sir Knights.

We added 65 new Fourth Degree assemblies during the fraternal year, and there are now 2,862 assemblies around the world.

The Supreme Master tracks information on brother Knights who have given the last full measure of devotion in the conflict in the Middle East. Since the attack on 9/11, 33 brother Knights serving in the armed forces have lost their lives in combat, as well as 2 Squires and 1 civilian.

The most recent brother Knight to die of war-related injuries was Father Henry Timothy VAH-kitch, an Army chaplain who was severely wounded in northern Iraq in 2004. Father Tim died on June 20, after a five year struggle with injuries sustained in an IED explosion as he was leaving a site where he had just said Mass. He was in a coma for two years and, with the support of many friends and brother Knights, he fought to recover from his wounds. He was retired from the Army with the rank of major, and was a retired priest of the Archdiocese of St. Paul and Minneapolis.

Father Tim was an honorary Life Member and a Fourth Degree Knight. He joined the Knights of Columbus at the age of 18. He was a member of Council 3656 and Assembly 526.

Father Tim is the only military chaplain to have been killed in action -- or from wounds suffered while in action -- in the Iraq war. He is the latest in a long line of Knight-priests who have died in the wars of the past century, serving with great courage and dedication the men and women of our armed forces. We will always remember their sacrifice.

MILITARY AND VETERANS AFFAIRS

In recent years, we have placed a special emphasis on establishing councils at American military bases in the U.S. and around the world.

Today, we have 58 military councils, including six new councils established during the past year at Buckley and Peterson Air Force Bases in Colorado, at Bolling Air Force Base in Washington, D.C.; in Georgia, at Fort Benning and Fort Gordon, and at Camp Zama in Japan. Four more are in the works, with new councils expected soon at Fort Carson, Colorado, at Fort Lee near Washington, D.C., and overseas bases in Japan, Germany and Italy. And of course we continue to support Roundtables in Iraq and Afghanistan.

We also have a close relationship with the Department of Veterans Affairs through the Veterans Affairs Voluntary Services program. Our Fourth Degree Assemblies have embraced this program, and assemblies have an officially recognized relationship with 128 VA Medical Centers around the United States. The Knights of Columbus is a member of the executive committee of the national advisory committee of the VAVS program. Nearly 900 Knights are regularly scheduled volunteers at these Medical Centers, and many more provide occasional service. All together, Knights of

Columbus volunteers provided more than 91,000 hours of their time through the Veterans Affairs Volunteer Services program last year.

We are committed to expanding this effort to all 153 VA Medical Centers.

Finally, you will be glad to know that our support of active duty military now includes a new Canadian edition of the prayer book that we have been providing to U.S. soldiers for some five years now. The Canadian prayer book is entitled "Armour of Faith," and the prayers are in both English and French.

YOUTH - COLLEGE KNIGHTS - SQUIRES - EDUCATION

The future of our Order depends upon the recruitment of young men in their teens, twenties and thirties.

Over the past year, we have added 9 new college councils - 4 in the U.S. and 5 in the Philippines - for a total of 241. New college councils in the U.S. are located at the University of Utah, the University of North Texas, Wichita State University, and Marian College in Indianapolis. The new college councils in the Philippines are all located in Visayas.

Most of our college councils - 159 of them - are in the United States, but our brother Knights in the Philippines are expanding rapidly, and now have 66 college councils. There are 7 college councils in Canada, and three each in Mexico, the Dominican Republic and Puerto Rico.

In all, we recruited 1,077 new college Knights during the past fraternal year, and membership in our college councils around the world now stands at 21,834.

Our leadership program for young Catholics who are still in high school, the Columbian Squires, continues strong.

There are now 1,460 active Squires circles, a net gain of 61 circles for the year. As you would expect, there is a lot of turnover in the Squires program as participants graduate. This year, 5,629 new Squires joined or transferred in, and 5,742 graduated. Membership in the program stood at 22,845 as of July 1.

I want to thank all of the councils who work so hard to make this program a success, and ask that you make every effort to make sure that these young men are encouraged to become Knights of Columbus when they turn 18.

Our long association with the Boy Scouts continued to flourish last year, with councils in the United States and Canada sponsoring a total of 33,806 Scouts in 1,487 Scout units.

On the campus of The Catholic University of America, this year has been a milestone for the Pontifical John Paul II Institute for Studies on Marriage and Family, a graduate school of theology established in 1988 with major support from the Knights of Columbus. The Institute celebrated its 20th anniversary by moving into the completely renovated McGivney Hall, right in the heart of the campus, a few steps from the Basilica of the National Shrine of the Immaculate Conception. McGivney Hall was dedicated on September 9 by Washington Archbishop Donald Wuerl and Supreme Chaplain Bishop William Lori.

During the most recent academic year, the John Paul II Institute added a new track in its Masters of Theological Studies with a specialization in biotechnology and ethics, and graduated 32 students. There are now more than 350 alumni of the Institute.

At a time when many people seem to have forgotten the crucial role that marriage and family play in society, the work of the Institute is more important than ever. It provides advanced education in both the theological and pastoral aspects of Christian marriage and family life. And in this regard the institute is a beacon of light in a world desperately in need of it.

The Knights of Columbus provides a wide variety of support for college students. Many of our local and state councils have scholarship programs, and the Supreme Council sponsors a number of scholarships.

Earlier I mentioned the Father McGivney and Bishop Daily vocation scholarships. Our Matthews and Swift Educational Trust provides scholarships for children of Knights who were killed or disabled in combat, or who died as the result of criminal violence while serving as full time law enforcement officers or firefighters. This past year, we provided these scholarships to 8 students.

We also provide scholarships based on academic performance to members or the sons and daughters of members. These include our *Pro Deo* and *Pro Patria* Scholarships in both the U.S. and Canada; special scholarship programs for students in Mexico; Puerto Rico and the Philippines; and also various endowed scholarships.

During the academic year ending in June, we provided these scholarships to 687 students, for a total of over \$1,540,000.

CHURCH ACTIVITIES

As you all know very well, our support for our church is legendary. Almost \$45 million of our charitable donations last year went to Church activities. And not a day

goes by that you won't find a Knight teaching religious education classes, helping out at parish schools, serving as active laymen in the liturgy, or helping to fix the kneelers in the church or repair the sidewalk out front. When a parish priest needs people to fill the hard-to-schedule overnight slots at Eucharistic Adoration, Knights respond. In these and many other ways, Knights of Columbus roll up their sleeves and do what needs to be done.

It's true in the local parish, it's true at the cathedral, and it's true at the Vatican.

When Mexico City hosted the Vatican's World Meeting of Families last January, we not only provided crucial financial help, but Mexican Knights were a source of volunteers to help make the meeting a success. The Knights of Columbus also provided a comprehensive set of catechetical materials entitled "The family, teacher in human and Christian values," produced by the Pontifical Council for the Family and distributed throughout Mexico by the Knights of Columbus.

Last October, Bishop Lori and I made our annual visit to Pope Benedict to present him with a check for \$1.6 million, the yearly earnings from our Vicarius Christi Fund, which provides the Holy Father with funds to use for his personal charities.

Later this week here in Phoenix, upon the conclusion of this 127th meeting of the Supreme Council, we will sponsor the very first international Marian Congress ever held honoring Our Lady of Guadalupe. It is a great privilege for us to welcome the participation of so many in the Church who have so much to contribute to our understanding of the most extraordinary event in the history of the western hemisphere: the apparition of Our Lady of Guadalupe to Saint Juan Diego in Mexico City in 1531.

We are grateful to our host Bishop, Thomas Olmsted, for his enthusiasm and support. We are grateful as well to His Eminence Norberto Cardinal Rivera Carrera of Mexico City and Supreme Chaplain Bishop William Lori for their participation. And we look forward to hearing as well from Msgr. Eduardo Chávez, the postulator of the cause of Saint Juan Diego, whose knowledge of Our Lady of Guadalupe is unequalled anywhere in the world.

Your presence at the Congress, and at the Guadalupe Festival that will conclude it on Saturday, will be an international sign of our witness and of the bond between Mary and her Knights.

In *Ecclesia in America*, Pope John Paul II observed that, “America . . . has recognized in the *mestiza* face of the Virgin of Tepeyac . . . an impressive example of a perfectly inculturated evangelization.”

The appearance of Our Lady of Guadalupe is not only an historic event. She is a woman whose face changed an entire hemisphere.

Today, Our Lady of Guadalupe remains a true guide and inspiration; pointing us forward toward a new and greater evangelization of our hemisphere. Patroness of the Americas and Patroness of the Cause of Life, she is that gracious advocate and guiding star that does not disappoint.

Our Lady of Guadalupe points us to the things that unite us sacramentally as Catholics and that are far more important than the political and economic boundaries that may divide us. And who better to help convey this message than the Knights of Columbus, which has been uniting Catholics from Canada, the United States, Mexico, Central America and the Philippines in Christian brotherhood for more than a century.

This week's Marian congress will be truly historic as we continue to lead the way to greater global Catholic unity.

FAITHFUL CITIZENSHIP

Consistent with the teaching of our Bishops in documents such as "Forming Consciences for Faithful Citizenship," the Knights of Columbus responds to their call for political responsibility on issues that are fundamental to the lives of faithful Catholics. This involves action only on non-partisan public policy *issues*. It never involves endorsement of candidates for public office.

Last fall, we joined with the Catholic bishops in three states - California, Florida and here in Arizona - to work for passage of state constitutional amendments to define marriage as between one man and one woman. All three amendments were approved. In fact, it is generally recognized that we probably made the difference in California, and we can be very proud of our role.

We also joined with the bishops of Washington in opposing an assisted suicide measure, and with the bishops of Michigan in opposing a measure that supported embryonic stem cell research. Unfortunately, both those measures were approved, reminding us that there is much work to be done in educating the public on these important issues of life and death.

In Connecticut and Iowa, state supreme courts brushed aside centuries of established law and suddenly discovered a "right" to same-sex marriage without regard for the clear language of their state constitutions and the opposition of a majority of the people of those states. In Vermont, New Hampshire and Maine state legislators similarly ignored the will of the people and enacted same-sex marriage statutes. In New

York, a similar effort in the legislature was narrowly averted. In Maine, Knights worked with Bishop Richard Malone and the Diocese of Portland to gather more than 55,000 signatures to allow voters in November to restore traditional marriage laws.

In our home state of Connecticut, there was a serious effort in the legislature to target the Catholic Church and strip our bishops and priests in Connecticut of any administrative authority over our churches. We joined with the Connecticut Catholic Conference, in opposing this blatantly anti-Catholic legislation, and we carried the day. The bill was withdrawn, and legislators learned that we will always fight for our constitutionally-guaranteed religious liberties.

We were also able to win passage of a religious liberty amendment to a bill implementing the Connecticut Supreme Court's decision on same-sex marriage. Vermont and New Hampshire have adopted similar language, providing at least some protection to those who have religious objections to same-sex unions.

Since our last meeting, the Knights of Columbus has made possible two important conferences in Rome, one on the subject of the Universal Declaration on Human Rights and the other on Religious Freedom. We are grateful to former U.S. Ambassador to the Holy See Mary Ann Glendon, who as the sponsor invited us to play an important role in these conferences.

In his new encyclical, Pope Benedict makes clear that all true charity begins with valuing human life. That means welcoming each new human life and sustaining our concern for the well-being of every person throughout his or her life.

“Openness to life is at the center of true development,” Pope Benedict reminds us. And he continues, “The acceptance of life strengthens moral fiber and makes people capable of mutual help.”

The Knights of Columbus remains firmly committed to defending the right to life of every human being, from the moment of conception to natural death. But the task ahead of us is even more formidable this year than in the past.

At the United Nations, the UN bureaucracy and their allies in pro-abortion Non-Governmental Organizations have applied increased pressure on heavily Catholic countries like the Philippines, Mexico and Poland to legalize abortion.

But there is a landmark shift taking place in public attitudes toward abortion, and it is the result of the hard, patient work you’ve been doing for more than 35 years.

Working with the experts at the Marist College Institute for Public Opinion, we have confirmed a dramatic shift in public attitudes on abortion. Late last year, we discovered that 84% of Americans would significantly limit abortion. And that only 15% of those calling themselves “pro-choice” favored abortion at any time during a pregnancy. In fact, *71% of pro-choice respondents said they would significantly restrict abortions.*

Since our poll last October, other polling firms have finally confirmed the trend that we first identified. On May 15 of this year, Gallup announced that 51% of Americans considered themselves pro-life, “the first time a majority of U.S. adults have identified themselves as pro-life since Gallup began asking the question in 1995.” Subsequent polls have confirmed that there has been a significant shift among Americans to the pro-life position.

Just a few weeks ago, the latest Marist College/Knights of Columbus Poll not only confirmed these trends, but again found a major shift among Americans, with an 11% change in favor of the pro-life position between last October and this July.

Many things have contributed to this dramatic shift in public opinion.

Not only does the annual March for Life in Washington have an impact when it brings hundreds of thousands of people to the Capital every January, but the marches for life that have sprung up in other cities from coast-to-coast are having an impact too. The March for Life in Ottawa has grown dramatically in recent years, and when the Deputy Supreme Knight and I participated this year, it was obvious that there is a tremendous surge in pro-life determination in Canada as well. Not only did pro-lifers turn out in large numbers in a driving rain, but there were also marches in nearly every Canadian provincial capital as well.

In short, our long-term strategy of working to change hearts and minds on abortion is working. And ultimately, *the will of the people will prevail*.

Last year at this convention we anticipated the opportunity that the latest polls have now identified when we voted to establish a new Culture of Life Fund. This fund will allow us to weigh in whenever opportunities present themselves and this will be a tremendous advantage.

The new Fund has enabled us to have a significant impact in many areas, both in providing additional resources to the Sisters of Life, Birthright International, Project Rachel, the National Life Center and the National Catholic Bioethics Center, as well as projects closely associated with the bishops of the U.S. and Canada, including the US Bishops' pro-life office and the Catholic Organization for Life and Family in Canada.

The Culture of Life Fund has also enabled us to get new projects off the ground quickly, like the Ultrasound Initiative, in which the Supreme Council matches state and local council contributions for ultrasound machines for crisis pregnancy centers.

The first ultrasound machines were donated to the Choices Medical Clinic in Iowa City, Iowa and the Women's Help Center in Jacksonville, Florida on the 36th anniversary of *Roe v. Wade* last January.

Since then, Knights of Columbus ultrasound machines have been presented to the Women's Enrichment Center in Dalton, Georgia; the Problem Pregnancy Center in Worcester, Massachusetts; Tomorrow's Hope Pregnancy Center in Paris, Tennessee; the Care Pregnancy Center in Baton Rouge, Louisiana; the Center for Women in Jackson, Michigan; Life Choices in Kearney [CAR-nee], Nebraska; and just a few days ago, Loreto House in Denton, Texas.

Our Ultrasound Project saves lives. Up to 90% of women considering abortion choose to have their babies after seeing an Ultrasound image. They hear their baby's heartbeat; they see their baby's head and fingers. They know that their baby is a child, not a "choice."

And here's the best part: you can't change that decision for life by an executive order. It cannot be reversed by a court decision. Once the child is born, the mother and her child have won. The Culture of Life has won. All of us have won.

Today, we say to those who insist on "choice" in abortion, "Why not allow women to make an *informed* choice with the help of the latest ultrasound technology?" And to all those who say that they want to reduce the number of abortions, we say, "Come join us in a program that can reduce abortions by as much as 90%."

We will work to put at least one ultrasound machine in every jurisdiction in the Order this year.

We should make sure that crisis pregnancy centers have all of the resources they need, not just from our Ultrasound program, not just from our Fund, but in the form of supplies and volunteer time from Knights and their families in thousands of councils in communities large and small. Many mothers who decide to have their children will need help *after* the child is born. Building a Culture of Life will mean helping them *then*, as well.

My brother Knights, we have heard much talk lately about seeking “common ground” on abortion. That will not be easy. But public opinion polls show that *there is real common ground*: If people were allowed to choose; *86% of the American people would choose to significantly restrict abortion*. In our search for common ground, *Let us begin there*.

Now Congress is considering health care reform legislation. We are told by the National Right to Life Committee that, as currently drafted, this legislation would result in the greatest expansion of abortion since the Supreme Court handed down its *Roe v. Wade* decision in 1973. Other experts say the bill will mandate taxpayer funded abortions and abortion coverage in virtually all health care plans.

And now we are being warned this legislation may even start us down a path for government-encouraged euthanasia. Clearly a health care system designed to save lives on the one hand must not become a vehicle for taking lives through abortion and euthanasia. *Health care reform legislation must be abortion-free*.

The solution is clear. Simply add a provision clearly excluding abortion and euthanasia from this legislation. That is what we urge Congress to do.

I am sometimes asked, “Why do the Knights stand so firmly in defense of the sanctity of human life and the sanctity of the sanctuary of human life – marriage and the family? Why not move on to other matters?” The words of Shakespeare from his play Henry the Fifth always come to my mind. King Henry's army is greatly outnumbered before the battle of Agincourt and he is invited to surrender; he replies with these words: “The sum of all our answer is but this: We would not seek a battle as we are; Nor, as we are, we say we will not shun it.” This matter which is so crucial to the future of our nations is in God's hand and no other. Its outcome will be determined as He wills it. It is up to us to us to remain faithful and steadfast.

My brother Knights, we have just ended the Year of St. Paul, and so it is fitting that we follow in the footsteps of this great Saint. “Let us run with patience the race that has been set before us.”

Let us, like St. Paul, be able to say that we too have fought a good fight, have finished our course, and have kept the faith, that we too may claim ‘a crown of righteousness’ not for ourselves, but for those not yet born but who will be born because of what we have done.”

I began these remarks with a discussion of this year's convention theme: “We stand with Peter.” Perhaps some of you were thinking at the time, “Well, *of course* we stand with Peter. That's what Catholics, and especially Knights, are *supposed* to do.” But to stand with Peter implies something profound. Peter is the rock on which our Church is built. And when we stand with him, we stand on the firmest of ground.

We, the Knights of Columbus, have always stood with Peter.

Beginning in the 1920s, we stood with him in building sports facilities for the youth of Rome, in the 1950s we stood with him in the creation of the Vatican Film Archive in St. Louis, more recently we stood with him in restoring the façade of *St. Peter's* basilica and each year we stand with Peter in his charity through our Vicarius Christi fund. Beyond this, we stand united to him in our prayers.

Because of this, we never stand alone. In standing with Peter, we also stand shoulder to shoulder with our priests and bishops, in solidarity with them.

In a special way -- this year, we stand with Peter. Charity is the first and most important principle of our Order. From the moment we become Knights, we understand that for us, the practice of charity will always be tied to Christ. As Pope Benedict reminds us, charity is "a force that has its origin in God, Eternal Love and Absolute Truth."

In fact, "Charity rejoices in truth," since "truth is the light that gives meaning and value to charity." So once again, my brother knights, we will stand with Peter, this time on the first principle of our Order.

Just a short time ago, we heard the wonderful message to this convention of Our Holy Father conveyed by the Vatican Secretary of State Cardinal Bertone, in which the pope described the Knights of Columbus "as a respected and articulate voice of the Catholic faithful" and then he expressed his "trust" in us that we "will continue to defend the teaching" of our Church "through reasoned argument and responsible participation in civic and political life."

As I look out at the delegates to this Supreme Convention and recall the dedication of countless brother Knights, I know the trust that he has placed in us is well founded.

Earlier this year, speaking to our board of directors, Pope Benedict urged us to “defend the moral truths necessary for a free and humane society, including the fundamental right to life of every human being.”

That is why we stand for the right to life.

That is why we stand for ethical business practices.

That is why we stand for helping the intellectually disabled.

That is why we stand for helping our neighbor in need.

That is why we stand with Peter. And there is no place we would rather stand than on this *rock*.

Vivat Jesus!