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# SUPPLY SIDE SUPER HERO



**CNBC'S LARRY KUDLOW IS  
PRAYING FOR YOU...**

and the stock market...  
and Wall Street...  
and your portfolio...  
and his redemption.

*Which of those prayers  
will be answered?*

**BY KARL TARO GREENFELD**

\*\*\*\* PLAYBOY  PROFILE \*\*\*\*

In the late-afternoon sunlight streaming into Larry Kudlow's Upper East Side office—a converted maid's quarters off his apartment's kitchen—Kudlow bends, his knees against the carpeted floor, his elbows on the seat of a leather club chair, his eyes closed, his scalp glistening in the soft light. He prays for us all, for all Americans and even for would-be Americans, for Larry is in favor of opportunity, economic opportunity for all, and he prays for the markets, for the bond market and the stock market, the repo market and now, especially, the mortgage market; he prays for the economy, for capitalism, for free enterprise, for tax cuts. He prays for those less fortunate,

for those who are not as lucky as he is, for those who perhaps are in the same dark places Larry once inhabited but who have not yet found God, found the spirit to lift themselves up as Larry has, to rejoin society and again contribute to the commonweal. And he prays for his wife, Judy, beloved Judy, who stood by him through his dark time, and he prays for his dear departed friends, his fellow free marketeers who are no longer with us, for Buckley and Friedman and William Simon and Jack Kemp.

But mostly he prays for all of us, he says, because he loves us all and believes in us all. He's an optimist, he says frequently, a better bull than a bear, a believer in the goodness of man and hence

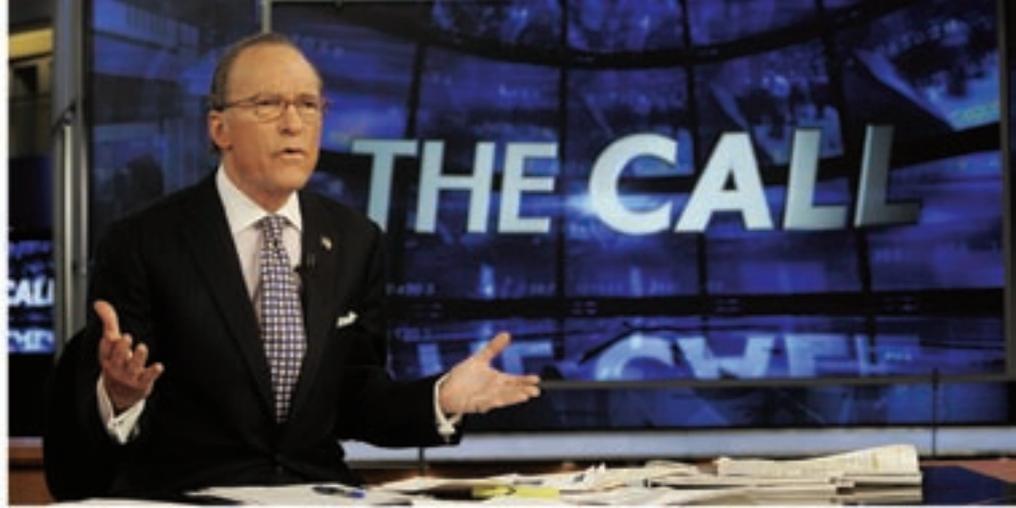
the goodness of markets, a cheerleader of all things American, an unapologetic believer that we are all of us trudging along to a better, freer market.

There is a Larry Kudlow founding myth, and it recurs with themes of dark wildernesses, of liberalism, secularism and cocaine addiction, before his emergence in the warm glow of conservatism, Catholicism and sobriety. His journey, he tells you, has been from eclipses of the soul—"My friend, I was in some dark places, some dark, dark places"—to the bright, perpetual light of his current life. He is a happy man, gleefully and relentlessly so, optimistic, bullish, joyous, free. "I love my life," he will shout in a crowded restaurant.





Portrait of the economist as a young man. Above, Kudlow in 1987, before drugs derailed his career. Right, on the set of his CNBC show.



**“MY FRIEND, I WAS IN SOME DARK PLACES,”** says Kudlow. “Some dark, dark places.”

“Today I love my life!”

Larry Kudlow has become our national rooster of economic tidings, clucking to start the market day in the morning and then close it down evenings, on CNBC’s *The Call* at 11 A.M. and then on *The Kudlow Report* at seven P.M. His long, sharp-featured, bespectacled face—shaped like a lightbulb with comb-over and glasses—has become synonymous with a specific brand of business news: the relentlessly pro-free-market, anti-big-government spin on every number the economy spits out and every uptick or downtick of the various markets he watches all day. His motto, cockadoodled by Kudlow to kick off *The Kudlow Report* every night: “Free-market capitalism is the best path to prosperity.” He is the most relentlessly capitalist pundit on the most relentlessly pro-capitalist network. There is no one, Kudlow boasts, who is more free market than Kudlow. And this on a network where bond-market reporter Rick Santelli famously proclaimed in 2009—on the air, to Kudlow—that he wanted to organize a new “tea party” to protest the government mortgage-bailout program. It has made Kudlow a cult figure among a certain kind of economic libertarian, inspired tribute rap videos among a certain kind of very peculiar undergraduate and for a while caused his name to be floated as a candidate in both New York and Connecticut Senate races.

It is an exceedingly unlikely news-media persona, this string-bean-thin Jiminy Cricket-like character in a blue blazer and candy-striped tie chirping “Cut taxes, cut taxes, cut taxes,” like a

mating call. Through a decade of Bush and neocon empowerment, Kudlow served as a one-man house organ, happily praising the administration and parroting its economic talking points as he huzzah’d the long bull market from 2002 to 2008, famously forecasting in December 2007, as a new recession was already under way, “There’s no recession coming.” Kudlow made his reputation as an economist in part by correctly predicting the 1990–91 recession and the subsequent recovery. But like most pundits he has also been wildly inaccurate, usually erring on the side of bullishness, such as in his 1999 forecast that the Dow would hit 50,000. He didn’t forecast the mortgage crisis—“I didn’t pay nearly enough attention to the mortgage markets,” he admits today. But as his beloved free market has collapsed in a *Götterdämmerung* of mortgage default and come to seem, through revelations of incompetent regulators, dubious ratings agencies and possibly fraudulent investment banks, to be suspect and even worse, maybe in need of—oh please, God, no, Kudlow might pray—more regulation, Kudlow has become the voice of a still dangerously powerful and now aggrieved minority: rich people who don’t understand why the rest of us are so pissed off at them. President Barack Obama and his redistributive policies—according to Kudlow—have put Kudlow’s economic ideas in stark contrast and made him seem, to an unlikely alliance of wealthy financiers and Continental Army costume-wearing Tea Partiers (Steve Forbes and your scary neighbor down the street who has planted a survival

garden) as the voice of economic reason, the anti-Bernanke who has never seen an economic problem that couldn’t be solved by cutting taxes. “I’m an unapologetic, unremitting, undaunted free-market, supply-side economist, that’s me,” he told me at one point as we were riding back into Manhattan from the CNBC studios in Englewood Cliffs, New Jersey. “What you see is what you get. With me, you know where I’m coming from, and people like that. I look at issues, I try to inform people, and I’m fair, but you know in my heart I want to unleash the market. Let it roar!”

But if all he is were the economic version of Glenn Beck or Rush Limbaugh, a conservative attack dog barking about interest rates and the Federal Reserve the way Beck cries about progressives impeding our liberties, then he would appeal only to the narrowest fringe. Yet Kudlow transcends that thin political gauge by exuding a barbed, wrinkled, furrowed yet undeniable humanity. He has been to those dark places—he’s a failure, a drunk, a cocaine addict who lost years to his addiction, who lost the trust of his closest friends, who lost millions of dollars and almost the love of his life, his wife, Judy. And it is that vulnerability, that awareness of his own shortcomings and his own failure, of how far down he has been, that endows him with the empathy that makes even his barking at a liberal economist he disagrees with end with a warm send-off and a “farewell, my friend, I love you,” because he means it.

“He’s been through a lot in his life,” says *The* (continued on page 113)



# SUPERHERO

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Call co-host Melissa Francis, “and that just adds to him. He has a lot more compassion than the rest of us. In every situation he has the ability to understand where they are coming from.”

It is an unlikely combination, the hard-core free marketeer who would dismantle every entitlement and the guy who gets choked up talking about Tiger Woods to the point that he says, on the air, “He’s doing the right thing. I wish him the best. God bless him.”

This is part of his recovery, Kudlow explains to me over dinner at *Vico Ristorante* on the Upper East Side one night. “I will not go personal, even a small thing. If I disagree with someone, I will double back and make sure the guys know I think they’re terrific.”

Perhaps if Tea Party Nation knew about Kudlow’s truly compassionate conservatism—and even his apostasy regarding birther notions and respecting the president—then perhaps less hallowed would be Kudlow’s name among Palin Nation.

“I’m not an attack dog. The birther movement, I think that’s nuts. Nuts! I don’t have any patience for that, I really don’t. Do I think Reagan’s supply-side tax cuts worked? Yes, I’ll defend that. Do I want the Fed to link the dollar to gold to make King Dollar? Yes, but that’s different from saying Obama is a Muslim.”

He shakes his head, sipping from a Diet Coke. “Barack Obama was elected president,” he says. “That’s it. Deal with it. Do what I do: Criticize it, try to suggest policy alternatives, and then we’ll have another go at it in November. That’s how it works. On my show, if you have a personal attack on the president or question his motives, you’re out of there.”

He stands, brushing bread crumbs off his blue jacket, and slides a pack of Merit 100s out of his pocket, his last remaining vice. “Now let’s go smoke a cigarette.”

Kudlow grew up in a secular Jewish family, son of a textile manufacturer, in Englewood, New Jersey, just a few miles from the CNBC studios. He was a jock with an efficient serve-and-volley tennis game, an actor in plays at Dwight-Englewood School and, by his accounting, an A student who was jobbed out of the Ivy League by the baby-boom demographic bulge. He attended the University of Rochester as a history major with an economics minor and there found his political voice: as a leftist.

He was never a draft dodger—“I went down there. They didn’t want me; they found a spot on my lungs or something”—yet was vociferously antiwar and, by his own admission, a great deal shaggier than he is today. “I smoked pot and I did inhale,” he jokes. In college he was a member of the University of Rochester chapter of the left-wing Students for a Democratic Society; after graduating he became a regional organizer for the Vietnam War Moratorium Committee, the largest antiwar group and the principal organizer of the 1969 march

on Washington. A 1970 *New Yorker* article describes Kudlow as a former campaigner for McCarthy who was “freaked out” by the assassinations of Martin Luther King and Robert Kennedy and was now sending antiwar bumper stickers and pens to his fellow travelers. Kudlow, who remains friends with some of his fellow antiwar demonstrators, never formally renounced his antiwar position but now attributes his youthful liberalism to a kind of misguided libertarianism. “I don’t think the government should have the right to just reach down and take you,” Kudlow explains. “I never really think of myself as someone who was deep into the left. It was the draft that was oppressive. The state was really oppressive.” Yet he was immersed enough to go to work for liberal Senate candidate the Reverend Joseph Duffey, running Connecticut’s first congressional district, the Hartford area, for the Democrat and delivering the district in a losing campaign. His fellow organizer in the neighboring third district was another rising Democratic star: Bill Clinton.

Kudlow’s journey mirrored that of many neocons, from Norman Podhoretz to Robert Novak to Dick Morris to the great patron saint of modern conservatism, Ronald Reagan. He credits his time as a graduate student at Princeton’s Woodrow Wilson School of Public and International Affairs as the start of his conversion. This was where he was first exposed to free-market economists such as Friedrich von Hayek and eventually the godhead, Milton Friedman. This was the early 1970s, when Nixon allegedly proclaimed, “We’re all Keynesians now.” British economist John Maynard Keynes had argued, among other ideas, that in times of economic contraction the government should prime the pump by spending and loosening monetary policy—but a young Larry Kudlow begged to differ. “Princeton did a pretty good job of opening me up to these ideas,” he recalls. “The macroeconomics we read was all along Keynesian lines, but the microeconomics they taught, price theory and so forth—that pushed me on the path to being a free-market economist. That had a pretty big impact on me and brought out the libertarian.” As his economic views evolved, his political views shifted jarringly. His fellow antiwar activists were surprised by the conversion, a few even speculating that Kudlow had been an FBI plant all along. Sam Brown, a former leader of the Vietnam Moratorium Committee and friend of Kudlow’s, says, “It’s surprising to me how far Larry swung. So much of what he had been doing in the antiwar movement went along with a broader critique of society, that society was failing its people. But then Larry emerged as this conservative figure.”

Despite Princeton’s profound impact on Kudlow, he left without a degree, sliding into a job as a junior economist at the Federal Reserve Bank of New York, working in several areas, including the open market operations trading desk, where the Fed buys and sells bonds and helps regulate the money supply. He observed firsthand the workings of the central bank and developed the broad analytical skills that would facilitate his eventual rise on Wall Street. In the 1970s the Federal Reserve’s role in the

economy was still not widely understood or even discussed, but it was increasingly clear in the wake of Nixon’s devaluation of the dollar and the decade’s persistent inflation that Fed watching was becoming a field unto itself, and who better for that job than a young, bright, loquacious economist who had worked at the Fed? Kudlow doubled his salary when he jumped into the newly created role of Fed economist at Paine Webber, where he started his own newsletter and began to dabble in punditry. He became something of a man-about-town, marrying his first wife, Nancy Gerstein, an editor at *The New Yorker*, in 1974. Within a few years his high visibility in an increasingly important area of expertise would entice Bear Stearns to reward him with the title of chief economist. Part of the job of economist at an investment bank like Bear Stearns is to entertain clients by dazzling them with economic forecasts and insights. In theory it is for access to economists like Kudlow that investment-banking clients pay millions.

For a former liberal with no formal economics training—or advanced degree—Kudlow had made it as a Master of the Universe and was starting to partake of the perks. “I learned to drink on Wall Street in the late 1970s,” he says. “I learned to drink, and enjoy, a vodka martini. I’d go out with clients, have a few drinks. I was a late bloomer. But I was that guy who was in the office at 7:30 A.M. I was working my way up the ladder, so I wasn’t out of control. The drugs came later.”

Behind his desk at CNBC, jammed into a corner of the vast, modern newsroom—chirons streaming numbers, monitors showing competing cable news networks, terminals showing markets—amid his staff of producers and associate producers Kudlow appears more frail and vulnerable than he does on camera. He wears a back brace beneath his suit jacket and sits up straight, flipping through the index cards he uses to formulate his ideas for potential segments. In the car on the way from his Upper East Side one-bedroom apartment to the Englewood Cliffs studios, he will jot down notions and ideas and then refine them with simple bullet points. “I used to fill up notebooks,” he says, “but then the ideas would get too complicated. I found what I could fit on a card would be just enough that you could get across quickly.” A typical card will have something like “V-shaped recovery” and then scribbled around it “consumer spending,” “manufacturing,” “FedEx and UPS numbers.” He makes calls from the car to his producer, Donna Vislocky, and also to fellow economists, politicians, potential guests and other pundits—groups with an awful lot of overlap—gathering data points and testing out some of his ideas. This week’s Kudlow brainstorm, the V-shaped recovery, is typical. Kudlow has become convinced that until the Obama tax hikes kill it, the economy will roar back so the growth chart looks like a V. “It’s a great story,” Kudlow says, “and even better, it’s true. The numbers are there. Everyone has to get on board!” While he has been fiercely critical of the bailout of financial firms and the government stimulus package,

Kudlow has broken ranks with fellow conservatives in supporting the financial-reform legislation sponsored by Senator Christopher Dodd. "I want to end too-big-to-fail, and this bill does that," Kudlow says. "The Senate Republicans are going to have to go along with this because it's the right thing and it does what it's supposed to do. Chris Dodd is a friend, and we've gone through this bill line by line." Kudlow seems to know virtually everyone in finance and government and is a relentless name-dropper. During the course of a few days with Kudlow he describes as "good friends" the following people: Bob Wright, Susan Lyne, Alan Greenspan, Jerry Brown, John Kerry, Jack Kemp, Lou Dobbs, Judy Collins, Geraldo Rivera, Rush Limbaugh, Arnold Schwarzenegger, Larry King, Andrew Ross Sorkin, George W. Bush, Henry Kissinger, John McCain, Bill Clinton, Lawrence Summers, Christopher Dodd, George Will and every other famous person who came up in conversation.

He is an obsessive surveyor of economic numbers, poring over BLS and ADP and ISM numbers at his home office and in the car on the way to the studio. He's always been a compulsive worker, and for someone as relentlessly social as Kudlow, he spends a surprising amount of time cloistered in his office, reviewing economic data. "I've never really been a quant guy, but I know

enough to read these things, to pick out common flaws," Kudlow says. "For me to distill things so people will get it, I have to know it, and if I can't figure it out, I have to make phone calls and find someone who can explain it to me."

Supply-side guru Arthur Laffer has known Kudlow since the 1970s. "Larry is very good at thinking through the issues without doing the math," says Laffer. "But he stays familiar with the latest papers, and he has the statistics wired. And he always has, even back at Bear and the Fed. He just loves real-time economics."

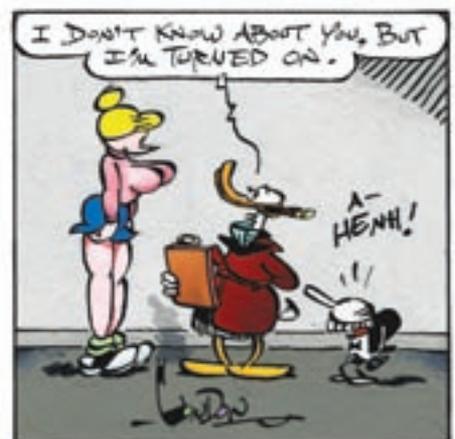
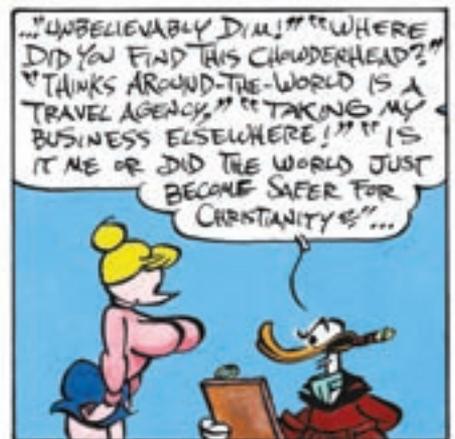
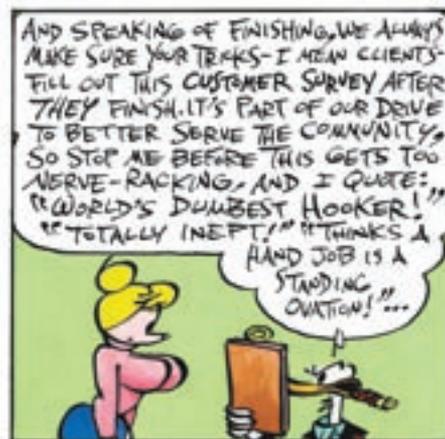
*The Kudlow Report* is sort of a daily primer in real-time economic news mixed with a healthy dose of the Kudlow libertarian agenda. He anchors *The Kudlow Report* from a desk on a platform that is rolled into the studio, which has the newsroom as a backdrop. To the right of him, off camera, is Jim Cramer's *Mad Money* set, and squashed against that is Suze Orman's set. He does his show live, with only a cameraman, a teleprompter and the producer's voice in his ear. In person, the transformation from the soft-spoken emotional wreck who starts crying when talking about how much he misses his recently departed terrier ("I was lying down to take my nap, and I usually take my nap with Joyful, but she's not there... anymore") to the brash, take-no-prisoners

free marketer is astonishing. His sits up straighter, his voice rises a few decibels, his eyes become beady as he takes clamorous aim at Keynesians and liberals. *The Kudlow Report* airs live at seven P.M., and by then most of the CNBC staffers have gone home. If you're watching in the studio, it seems as if it's just Kudlow, a small man, talking loudly to himself in a vast empty room.

Yet CNBC loves his viewership. *The Call* is the background noise on trading floors and in C-suites around the world, and *The Kudlow Report* is the post-trading day chill session for this highly sought-after demographic. CNBC's viewership has an average annual household income of \$150,000, about triple the Nielsen average. Kudlow's shtick—the paeans to Ronald Reagan, the decrying of entitlements, his boiling down of every crisis to one simple solution, tax cuts—plays for at least part of his wealthy viewership as a kind of fat-cat daily affirmation: I'm rich enough, I'm smart enough, and gosh darn it, my ideas are still valid.

Enough Republicans, conservatives and Tea Partiers were made to feel good enough about themselves that briefly, earlier this year, the Draft Kudlow movement sought to convince him to run for the Republican nomination for senator from New York, with the ultimate goal of unseating Charles Schumer. He was held up as "the one

# Dirty Duck by Bobby London



person” who could stand up to Schumer. Yet the one person himself was never really sold on the idea. “These guys up in Buffalo wanted to draft me. I like the Tea Party gang—good kids—but it kind of took off in the blogosphere. Don’t get me wrong, I’d love to get Schumer out of there—and it was flattering—but I’m happy with what I’m doing now.”

And as much as his ego and vanity may have welcomed the campaign, Kudlow’s dark past may have been too much for any candidate to overcome.

Kudlow first tried cocaine in the 1980s, on what he describes as the “New York–Washington party circuit.” He was by then a rising Republican star, having left Bear Stearns to work as associate director of economic policy in the Reagan White House under head of the Office of Management and Budget and fellow supply-sider David Stockman. A few days after Reagan’s election in 1980, Jack Kemp brought Stockman around to meet people on Wall Street. “I showed him some of my work,” Kudlow says. “I was by then the biggest supply-sider on Wall Street, so about 10 days later he called and asked if I would come down to serve on the transition team.”

Kudlow, who had left his first wife and married Susan Cullman, a Bloomingdale’s heir, moved down to Washington and quickly, along with Stockman, became a leading figure on the economic team behind the Reagan revolution. “I saw firsthand that tax cuts work,” Kudlow recalls. “We did it. Ronald Reagan turned the economy around. You lower marginal tax rates and that is like gasoline on a fire.” Stockman would describe Kudlow in his best-selling book *The Triumph of Politics* as “a fellow traveler.”

He left the White House in 1984 and briefly started a consulting firm before heading back to Wall Street after his second marriage fell apart. In 1987 Kudlow married Judy Pond, his current wife, whom he had met in the White House, where she was a spokesperson and lobbyist. “That move saved my life,” he says of her.

At Bear Stearns, where he became a senior managing director, Kudlow found himself living at the heart of the go-go 1980s, a top-rated economist according to *Institutional Investor* magazine, a frequent guest on *Larry King Live* and *The MacNeil/Lehrer Report* and even a print and broadcast pitchman for Cadillac. He was earning, according to *The New York Times*, nearly \$1 million a year. His cocaine use, which had been steady if low-key for most of the decade, accelerated with his burgeoning career. “Larry and I recognized this was not a good thing for him to be doing,” Judy Kudlow told *New York* magazine in 1995, “but it happened so rarely we kept feeling he would get a handle on it.”

He never did get a handle on it, as Kudlow himself admits his binges became longer in duration and more intense. “I would be gone for days, in isolation—me and my drug of choice.”

Among his favorite coke-fueled activities: skimming economic indicators and data, reading International Monetary Fund reports, obsessively, compulsively refining

and recalculating his inputs. His runs would last a few days, even a week, until he would fall into a coke-and-booze psychosis and, he claims, actually black out for stretches. “That is a terrifying thing, to have no recollection, no idea where you’ve been or what you’ve been doing,” he says. It was after the worst of these binges that Kudlow began showing up at Catholic masses. “I loved them,” he says. “I fell in love with the Catholic mass even while I was doing cocaine and drinking. I was born Jewish, but we weren’t very good Jews. In terms of religious or spiritual life, I had none.”

Yet his occasional appearance in the pews did nothing to curtail his drug use. Eventually his colleagues started noticing their mediagenic chief economist was becoming a little unreliable. “There were gaps in the story,” Kudlow admits. He went to Ace Greenberg, the legendary chief executive of Bear Stearns, and confessed to him what was going on. Kudlow was granted a leave to enter a short-term treatment center, promising that if he relapsed, he would resign.

But even after getting out of Regent, a New York psychiatric hospital, Kudlow continued to use. “I began missing meetings,” he says. “Then I missed a really big conference up in Boston. I was the centerpiece for a presentation to some big clients, and I was just a no-show. I simply didn’t show up—no phone call, nothing.” Two hundred of Bear Stearns’s biggest clients had gathered for lunch at Le Méridien hotel and were left with nothing more to chew on than their plates of chicken. Kudlow resigned.

Within two days he had signed on at *National Review* as a senior editor and a regular guest on the television show *Firing Line*, earning a tenth of his previous salary and promising William F. Buckley that he had sobered up. “Deep in my head I still thought I could use,” Kudlow now says. “I hadn’t surrendered.” Within a few weeks he was using again. “I was out of control. The thing just buried me. I was wrecking my life, our life.”

*National Review* terminated his contract, and Judy filed for a court separation and went to stay at her sister’s house in Virginia Beach. She also went to court to block access to the couple’s remaining assets, now dwindled to just a few retirement accounts. Kudlow, who had been on a long binge since losing the *National Review* gig, flew out to Pebble Beach to give a speech to a conservative group. He was set up in a beautiful room overlooking the golf course’s 18th hole and the Pacific beyond that. “I didn’t see it. All I saw was black, this black shade. I was never suicidal, but I had these black-shade moments. My whole life was like that.” He came back to the couple’s apartment to find Judy waiting for him with a plane ticket to Minnesota, where the Hazelden clinic is located, and cab fare to the airport. “You can either do this or not, but if you don’t, I’m gone. That’s it,” she told him.

“I didn’t want to lose my wife, that’s all I knew,” says Kudlow. “I loved her. I had lost everything else. I had fallen so far off my horse to a bottom I never thought possible.”

He took the ticket and the money and went downstairs and hailed a cab.

Kudlow cries when he tells this part of

his story. When he talks about Judy and the plane ticket or William F. Buckley offering him a job or Hazelden's Jellinek center admitting him into the long-term-care program, he chokes up, pauses, wipes a tear away, holds a napkin up to his nose.

Kudlow put in 90 days at Hazelden in 1995. He never had a burning-bush moment when he saw the light and suddenly turned his will and his life over to the care of God. "I'm an incremental guy," he says. "This isn't Larry doing  $MV=PQ$ , this is me just desperately trying to get it—constant meetings, constant therapy. But I gave it every ounce of brain that I had left."

By the time Kudlow emerged, he was unemployable. Wall Street wouldn't touch him, and even his old friends in the media were wary. He no longer had any credibility; while he was still using he had given an interview to *The New York Times* in which he had falsely, or prematurely, proclaimed his sobriety. Now that he actually was clean and sober, this formerly rising star was "radioactive."

He had one offer: Economist Arthur Laffer said Kudlow could work for him at his investment firm in San Diego. "I offered him a job, but I told him no TV, no radio, and he had to have one of my guys living with him full-time. He couldn't take a trip without my guy in the seat next to him." Husband and wife moved to California, renting a house in Rancho Santa Fe while Kudlow attended Cocaine Anonymous and Alcoholics Anonymous meetings and did economic research for Laffer. He stayed off the air, developed an unlikely humility and played a lot of tennis. He describes it as his "first year on the ground."

But Kudlow was destined to get back on TV, and when the Republican convention was held in San Diego, he became a go-to personality for the fledgling CNBC network. Then, on a business trip to New York,

Kudlow did a guest spot on Bill Griffeth's show, and slowly but surely he was worked into the rotation at CNBC. By the time he moved back East in 1997, his career as an economist was effectively coming to an end as he emerged as a pundit, personally chastened but still bombastic when it came to his conservative economic opinions.

"You don't go to treatment to learn supply-side economics," Kudlow jokes. "But you do learn something pretty basic: how to show up." His emergence as "Kuddles," the acerbic yet nonthreatening budget hawk and hard-liner, coincided with increased public interest in his area of expertise: the Federal Reserve. In the late 1990s even average Americans began to pay attention to Fed pronouncements and policy statements, in particular those of Fed chairman Alan Greenspan, as well as to policy-meeting minutes and the comments of regional Fed bankers. Kudlow, from his days working at the Fed, had a fast and quick grasp of this Fed-speak and became a leading television commentator on the new business sport of Fed watching. As CNBC rose to prominence during the tech bubble, Kudlow became a regular on the network's *America Now* in 2001; the show became *Kudlow & Cramer* in 2002. He has been on CNBC almost daily since then, popping up on the network throughout the day in addition to appearing on his own shows. "Isn't being clean a beautiful thing?" Kudlow asks. "Life is so much easier when you just show up and do your job. Okay, you got your Kudlow haters out there, but I learned to just keep coming."

And keep showing up. He is driven by his driver, Said, from his apartment to the studio for *The Call*, then back home for his nap and prayer and then back to the studio for *The Kudlow Report*. At home, in the car and

at the office, he pores through his thick folders, scribbling ideas on his index cards. "In the car I'll read the NBER reports, the BLS numbers, *National Review*, *Weekly Standard*. I do a ton of reading. I have gigantic folders of stuff." He points out that in advance of Christopher Dodd's recent appearance on his show to discuss financial reform, Kudlow read Dodd's entire speech from the Senate floor, all 40 pages. "This is the best job I ever had. I like it better than Bear Stearns," he says. "You put me up there on camera and I'm ready to go."

He still doesn't need much sleep, carving out a few hours a night to read more serious economic papers, his work habits as compulsive as during his using days. Vislocky, his producer on *The Kudlow Report*, says, "Larry's the most prepared host I've ever seen. You could call it compulsiveness or enthusiasm. What he has done is channeled that addiction into something positive, into the show."

On a rainy New York night, Kudlow, wearing a pair of khakis, a yellow sweater, an ascot and a Lacoste baseball cap, stands beneath an awning outside a restaurant, puffing away on a cigarette. In person he is much diminished from his cartoonish on-air persona. Besides his frequent crying and choking up as he recounts his life, he is also far less dogmatic than he appears on camera. He diverges from his conservative colleagues on immigration. "How can I deny another person an opportunity? This country gave me a second chance, so I wanna give everybody a second chance." He says he doesn't care about gay marriage, having spoken in front of the Log Cabin Republicans several times. "You think I'm going to rant against gay marriage? You're nuts. The only issue I get up on my haunches about is pro-life. Thank God I didn't take my own life during my black-shade time, so I'm not gonna say we have the right to take anyone's life."

Kudlow's great regret is not having children of his own. "We tried for several years; there were fertilization problems." Every conversation with Kudlow these days goes back to his wife, to Judy, who saved him. He says he wants to go home to see her now; she's been away a few days.

He walks up Madison Avenue toward his apartment, greeting the doorman and taking the elevator.

Judy is seated on a love seat, watching television. She has just returned from a ski trip, five days in Montana. She stands to kiss him. "I didn't know what to do with myself when she was gone," Kudlow says. "First my dog died, and then my wife was gone. I told her, 'All my puppies are gone, all my puppies.'"

Kudlow sits down on the embroidered sofa in the apartment's ornate living room; he spreads his arms as Judy, with dyed blonde hair and a pert smile, takes a seat beside him. He smiles. "God bless," he says, "God bless."

Larry Kudlow is home, finally home.



"Lie down? You men are all alike."