

ANNOUNCER: From Washington, this is LOU DOBBS TONIGHT for Tuesday, October 21. Here now, Lou Dobbs.

LOU DOBBS, CNN ANCHOR: Good evening from the nation's capital.

Now turning to a man who has been at the forefront of this battle, my next guest says the White House and Congress should give American companies incentives to keep jobs in this country. My guest is Congressman Don **Manzullo**. He's chairman of the House Small Business Committee, which has held hearings on the exporting of American jobs, and joins us tonight.

Good to have you with us, Congressman.

REP. DON **MANZULLO** (R), ILLINOIS: Good to be here, Lou.

DOBBS: As Peter Viles just reported and as we watched that dialogue, to hear the very idea that the profits in Asia are somehow sustaining U.S. automobile companies, that is mind-boggling.

MANZULLO: Well, it is.

But the issue is, what about the American workers and what about the enforcement of the WTO and the different treaties that we have around the world with regard to fairness of currency?

DOBBS: Fairness of currency -- you have pointed out that Taiwan, Japan, Korea, and China are not particularly interested in listening to Treasury Secretary John Snow talk about not pegging those currencies to the dollar.

MANZULLO: You've got to get tough with them.

China has had its currency since 1994 irretrievably fixed to the U.S. dollar. So regardless of what we do here, the currency rigs it so that the Chinese have undervalued their currency, which is the same as about a 40 percent export duty of U.S. goods going to China and an additional 40 portion discount of Chinese goods coming to America.

DOBBS: You've been focused on this issue for some time.

MANZULLO: Unemployment in the congressional district that I represent 11, 12 percent. Effectively, it's probably 16, 17 percent, because the people have gone off the unemployment rolls.

DOBBS: We have seen 2.6 million, 2.7 million manufacturing jobs exported overseas. We're now seeing high-tech jobs, high-value jobs being exported. We're looking at a half-trillion dollar trade deficit. And then we have the so-called sophisticated economists, if you will, and certain lobbies and special interest group saying, frankly, the hell with the American worker, the American middle-class family. You just don't understand economics.

What is your reaction?

MANZULLO: Well, we have to enforce the trade laws. Otherwise, we should rip them up and take them off the books. Section 301 is a prime example.

DOBBS: So, Congressman, where is the U.S. trade representative?

MANZULLO: I can't answer that. I met today with the secretary of commerce, explained to him the situation back home, give him the documents that we've been circulating now, "U.S. Manufacturing in Crisis" -- this is about the 15th, 16th edition on it -- and said, the administration has to get engaged.

I'm convinced that the president knows -- is aware of the problem. I'm convinced the administration is aware of the problem. Its going to take guts to stand up to Hu Jintao in China and say, you cannot rig the currency the way you have done it; \$800 million a week of U.S. investment goes to China.

DOBBS: Congressman Don **Manzullo**, we appreciate your taking the time to be here. This is so complex, so important, so vitally important, that we hope you'll come back and soon to discuss this.

MANZULLO: You bet. And thank you for raising the issue.

DOBBS: And I hope, Congressman, that you have great success with the administration.

MANZULLO: Thank you.

DOBBS: With the trade representative, with the commerce secretary. Thank you, sir.

MANZULLO: Thank you.