The Southwestern Economic Review is published annually by the Department of Economics, Texas Christian University. We gratefully acknowledge the support given to the production of the journal by the Southwestern Society of Economists and the AddRan College of Humanities and Social Sciences, Texas Christian University.

Subscriptions to the Southwestern Economic Review: Members of the Southwestern Society of Economists – No additional charge; Non-members -- $20.00; Library -- $25.00.

For requests for subscriptions, additional copies, or further information, contact

Edward M. McNertney, Editor
Southwestern Economic Review
Department of Economics
Texas Christian University
Box 298510
Fort Worth, TX 76129

Tel: 817-257-6232
E-Mail: e.mcnerney@tcu.edu

Price per copy: $20
# TABLE OF CONTENTS

**Income Inequality, Social Status, and Growth**  
Bala Veeramacheneni and Richard Vogel .......................................................... 1

**The Impact of Immigration on Bi-Lateral Trade: OECD Results from 1991-2000**  
Joshua J. Lewer ................................................................................................... 9

**Financial Development, Investment, Productivity and Economic Growth in the U.S.**  
Teame Ghirmay ..................................................................................................... 23

**Structure of American Business: Goods Versus Services**  
Edward Nissan ....................................................................................................... 41

**Real Exchange Rate Misalignment and Economic Growth in Developing Countries**  
Dosse Toulaboe ..................................................................................................... 57

**Impact of Offshore Outsourcing of IT Services on the US Economy**  
Kalyan Chakraborty and William Remington .................................................. 73

**Comparing the Efficacy of Domestic Versus International Child Adoption**  
Neil Terry, Nancy Turner and Jennifer Falkner .................................................. 95

**On the Economics of Manufacturers and Dealers: A Reexamination**  
Charles E. Hegji and Evan C. Moore ................................................................. 107

**Testing Symmetry in Price Transmission Models**  
Wayne M. Gauthier and Hector O. Zapata ......................................................... 121

**Can EQIP Enhance Environmental Quality?: A Time Series and Cross-Sectional Analysis**  
Fidel Ezeala-Harrison .......................................................................................... 137

**Do Commodity Prices Still Show Excess Co-movement?**  
Eric Blankmeyer .................................................................................................... 149

**Economics of Irrigated Cotton-Grain Sorghum Rotations in the Southern High Plains of Texas**  
Phillip N. Johnson, Jason Blackshear and Eduardo Segarra ......................... 161
A Model of the Cyclical Behavior of the Price Earnings Multiple
Hassan Shirvani and Barry Wilbratte........................................................173

Input Decisions of Competitive Firms Under Uncertainty:
Some Comparative Analyses Using Risk-Return Models
Kishor Kumar Guru-Gharana and Matiur Rahman................................... 183
APPRECIATION

The editor of the *Southwestern Economic Review* and the Southwestern Society of Economists would like to thank the following individuals who have contributed their time and effort in reviewing articles for this issue of the *Review*.

**Syed M. Ahmed**  
*Cameron University*

**Gaurango Banerjee**  
*University of Texas at Brownsville*

**Waldo Born**  
*Eastern Illinois University*

**Pierre Boumtje**  
*Southern Arkansas University*

**Richard Cox**  
*University of Arkansas at Little Rock*

**James P. Dow, Jr.**  
*California State University, Northridge*

**Barry Duman**  
*West Texas A & M University*

**Dawn Elliott**  
*Texas Christian University*

**Fidel Ezeala-Harrison**  
*Jackson State University*

**Ismail H. Genc**  
*University of Idaho*

**Guari S. Guha**  
*Arkansas State University*

**John T. Harvey**  
*Texas Christian University*

**David J. Hoaas**  
*Centenary College*

**Marshall J. Horton**  
*Southern Arkansas University*

**Frank G. Landram**  
*West Texas A & M University*

**Sang Lee**  
*Southeastern Louisiana University*

**Joshua Lewer**  
*West Texas A & M University*

**Anne Macy**  
*West Texas A & M University*

**Justo R. Manrique**  
*University of Houston – Downtown*

**William Miles**  
*Wichita State University*

**Tammy Rapp Parker**  
*University of Louisiana at Monroe*

**Bruce Payne**  
*Barry University*

**Matiur Rahman**  
*McNeese State University*

**Thomas E. Reeves**  
*St Mary’s University*

**Roderick Rejesus**  
*Texas Tech University*

**Robert P. Rogers**  
*Ashland University*

**Abdulhamid Sukar**  
*Cameron University*

**Neil Terry**  
*West Texas A & M University*
Richard Vogel  
*SUNY-Farmingdale*

Susan Watson  
*Louisiana Tech University*

Joan Wigginhorn  
*Barry University*

Michael N. Wolfe  
*University of Houston, Clear Lake*

Roman M. Wong  
*Barry University*
PREFACE

The support and efforts of a number of dedicated people were necessary in order for the Southwestern Economic Review (SER) and the Southwestern Economic Proceedings, Selected Papers to be published. First, the faculty of the TCU Department of Economics and Mary L. Volcansek, Dean of AddRan College of Humanities and Social Sciences at TCU provided much needed support for this endeavor. Second, the reviewers of the manuscripts submitted to the journals provided much needed expertise in helping to decide which papers should be accepted for publication. Third, Tami Freeman of Arkansas State University magically turned the accepted papers into final publishable form. Fourth, Howard Horne and his staff at the TCU Printing Services Department took the papers and produced this volume. Finally, John Lovett of the TCU Department of Economics provides the expertise for the electronic version of this publication (www.ser.tcu.edu). The editor is grateful for all of this help and hopes this issue of the Review will promote and advance our organization, the Southwestern Society of Economists, to new educational and professional horizons.

The Southwestern Society of Economists is affiliated with the Federation of Business Disciplines. The annual membership fee of Society of Economists is $35 and includes a subscription to the Southwestern Economic Review and the Southwestern Economic Proceedings, Selected Papers. Correspondence on membership, change of address and information about Southwestern Society of Economists should be addressed to:

Anne Macy, Secretary-Treasurer
Southwestern Society of Economists
Director of WT Investment Series
West Texas A&M University
Box 60187
Canyon, TX 79016
Tel: 806-651-2523
E-Mail: amacy@mail.wtamu.edu

Once again, many thanks to those who helped bring this publication to fruition.

Edward M. McNertney, Editor
Southwestern Economic Review
Southwestern Economic Proceedings, Selected Papers